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# FINANCIAL TIMES

No. 27,122

Thursday November 11 1976

\*\*\*10p

MAN IN WOOL

Drummond's

Suitings

ask your tailor!

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.23; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pes.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

## NEWS SUMMARY

### GENERAL

**Unionist threat to drop Powell**

After Unionist leaders yesterday issued an angry warning to Enoch Powell to "go to the 't' lines" after the former Conservative Minister had threatened his support for maintaining the Labour Government office.

Mr. Harry West, Unionist MP, made it clear that Powell could be dropped as party's candidate in South Devon at the next election if he did not decide to vote with the Government.

Mr. West said Powell's warning of expulsion was "strongly reinforced" by Mr. P. J. Sheehy, another Unionist MP, who said Powell was "a disgrace to the Labour Government".

### BUSINESS

**Gold up \$5½; sterling rises ½c**

● GOLD gained \$5½ to \$136½, the highest level since mid-January, in active London dealing.



There was strong commercial and speculative interest and heavy buying from the Far East. Domestic and international kruggerands rose to \$36 (£53).

● STERLING rose 45 points to 81.6535 and its weighted depreciation improved to 46 (46.2) per cent. The dollar's depreciation narrowed to 2.30 (2.36) per cent.

● GILTS continued to recover with gains extending to 1. The Government Securities Index gained 0.22 to 57.76.

● EQUITIES were firm. The 30-share index gained 0.9 to 302.7. The All-Share index was 3.3 per cent, up at 129.75.

● WALL STREET was down 6.15 at 24.63 near the close.

● COCA PRICES rose to new peaks in London yesterday. The March position gained \$8.5 to close at \$1.968. Page 31

**more die Rhodesia**

Ivor Richard, chairman of Rhodesia conference in Geneva, yesterday continued his criticism of Black African nationalist leaders. In Salisbury, Mr. Richard said that one Rhodesian soldier and 24 civilians had been killed in the 24 hours. Page 7

**South Africa**

he eve of today's first anniversary of Apartheid's first anniversary, Mr. Richard said that one Rhodesian soldier and 24 civilians had been killed in the 24 hours. Page 7

**Post Office cuts operator charge**

● POST OFFICE is cutting charges for most calls subscribers cannot dial themselves. Ordering of stranger electro-mechanical switching equipment will stop next spring, three years ahead of schedule. Page 15. STC opened an optical fibre and cable factory at Harlow. Page 8

**side kills arclays girl**

20-year-old girl cashier died today after being struck on at point blank range in the city. Mr. Richard said that one Rhodesian soldier and 24 civilians had been killed in the 24 hours. Page 7

**annabis haul**

Police officers at London's Heathrow airport yesterday seized a haul of cannabis worth about £100,000 from a plane. The haul was in containers which had arrived from Canada addressed to Athens, but customs men found it when there was an attempt to collect the containers. The haul is now in a secure depot at Slough. Middlesex.

**30 years on**

Germany's 75th birthday was celebrated yesterday with a parade in Berlin. The parade was led by a band of 1,000 police men, and a large number of German soldiers. The parade was a reminder of the 30th anniversary of the end of the Second World War.

**Briefly**

British Leyland demanded a "reasonable" amount of money from Rover. Rover had been given the right to sell its Solihull factory.

A Jordanian couple were fined £200 and £20 costs in London for allowing their 10-year-old son to travel alone. The boy was found in a hotel in London. The boy's father was also fined.

Mr. Cyril Bennett, the ITV executive who died in a fall from his London flat, was buried yesterday.

Commons Select Committee investigating allegations of mismanagement with Mr. John Denham has suspended for evidence from the public.

**CHIEF PRICE CHANGES YESTERDAY**

(Prices in pence unless otherwise indicated)

RISES

Treasury 12mo 1985 501 + 1

Treasury 12mo 1986 497 + 1

Alexanders Discount 180 - 15

Anglia TV "A" 77 - 5

Beecham 220 - 15

Benson 100 - 5

British Mid "A" 150 - 7

British Mid "B" 140 - 8

British Mid "C" 130 - 9

British Mid "D" 120 - 10

British Mid "E" 110 - 11

British Mid "F" 100 - 12

British Mid "G" 90 - 13

British Mid "H" 80 - 14

British Mid "I" 70 - 15

British Mid "J" 60 - 16

British Mid "K" 50 - 17

British Mid "L" 40 - 18

British Mid "M" 30 - 19

British Mid "N" 20 - 20

British Mid "O" 10 - 21

British Mid "P" 0 - 22

British Mid "Q" 0 - 23

British Mid "R" 0 - 24

British Mid "S" 0 - 25

British Mid "T" 0 - 26

British Mid "U" 0 - 27

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LOMBARD

# Is the national debt too small?

BY ANTHONY HARRIS

BRITAIN. AS officials of the Bank of England are rightly fond of pointing out, has an abnormally high national debt in relation to the national income. This has always created problems in debt management, since both the financing of the normal Government deficit, which has built up this debt, and the refinancing of maturing bonds, are far bigger factors in the London financial market than similar operations are in other markets. Indeed, I have heard some Bank of England men argue that this fact is at the core of the British Disease, and of our present problems: it has always tended to make British interest rates rather high by international standards, and has recently made the financing of the enormous deficit which goes with rapid inflation virtually unmanageable.

I cannot say that I find this a wholly persuasive argument. For one thing, the result of inflation up to about 1975 was a drastic reduction in the dead weight of the national debt—a measure of the steady impoverishment of its holders. This, of course, has proved a problem in itself: the troubles of some company pension funds have helped to inhibit industrial investment, and according to one version of a fashionable theory, the need to rebuild financial assets (and not just liquid ones) may have helped to explain the enormous rise in private saving which has thrown out the Treasury's economic forecasts so disastrously, and forced the Government into ever greater deficit in an effort to prevent employment collapsing.

## Conclusions

When you look at it this way, something possibly unexpected emerges: for if the recession and the size of the Government deficit are explained by the effort of private people to rebuild the eroded provisions they had made for old age, then one can say that our immediate dilemma arises out of the fact that the national debt is at present too small. The Government, through its deficit, is rebuilding the stock of financial assets because there is a demand for them. This may sound like an outrageous paradox, but it is in fact perfectly consistent with the ordinary conclusions of commonsense about our dilemma.

## Up the value

This leaves the authorities with two dilemmas. A failure to fund leaves a level of liquidity which is potentially explosive, and might at any moment start a speculative boom in some asset or another—land or gold or commodities—even if it is unlikely to get straight into consumer spending. At the same time the level of interest rates generated by a combination of high past inflation and overstrain in the financial markets prevents industry becoming a borrower again, thereby boosting growth in real terms, and in financial terms helping to meet the demand for assets. An attempt to meet the financial demand through continued or even growing Government deficits will only make the funding and industrial problems worse. The problem looks insoluble, then. But one possible solution is suggested by the analysis itself: simply to write up the value of the national debt. Holders of bonds (but not bills or cash) could be offered a scrip issue restoring the real value of their holdings (including accrued interest) to, say, their 1974 values. The resultant boom in gilts and the fall in interest rates and abnormal saving would more than offset the cost. Can it be that honesty is the best policy?

## RACING

BY DOMINIC WIGAN

# Royal Marshal top class

TIM FORSTER and Graham Thorner, successful at Worcester yesterday with Hamswell and, possibly, rebuffed of a double when poor visibility set in, denying Rashwood an opportunity in the closing event, should maintain their fine run at Wincanton this afternoon through that top-class chaser, Royal Marshal II in the Badger Beer Chase. Although this bold jumper has not won a race since beating the 100 lb handicap in the Hennessy Cognac Gold Cup of 1974, Royal Marshal II has by no means lost his form as he showed when falling by only four lengths to concede the smart Even Up 12 lbs at Lingfield and when chasing home Captain Christy and Bula in the King George VI Chase at Kempton on Boxing Day. On his only previous start this season the Letchmore Bassett nine-year-old put up a particularly encouraging display when beating the 100 lb handicap in the 1975 Goodwood and Go-over in the Terry Biddlecombe Challenge Trophy over today's 21-furlong course and distance, in spite of losing a good deal of ground at several fences through overleaping jumps. Although he has a formidable staidier of 13 st 2 lbs, I expect

receiving 7 lbs, by four lengths in a novice event at Lingfield in March, but he is reported to be ready to do himself full justice, and is sure to be many people's choice. However, one whom I just prefer is the lightly-weighted Closed Circuit, a useful performer two seasons ago and said to be showing signs of a return to form. The 24 lb he receives from Stroudsburg could prove decisive. Richard Head, who trains Closed Circuit, could also be on the mark half an hour earlier through the ultra reliable Village Thief in the Red Maru Handicap Chase. This tough five-year-old, successful over two miles here in April, has been in fine form of late, scoring at Worcester and again on this course, when comfortably disposing of Captain Clover in the 24-furlong Otterbourne Chase. Last time out his winning run came to an end when he went down to the lethargically treated Zarawayn at Leicester. However, his performance there was useful, considering the weight he was attempting to give the winner, and I take him to return to winning ways at the chief expense of the talented but somewhat unreliable Border.

## SALEROOM

BY ANTONY THORNCROFT

# Record for two British artists

THERE WAS a good sale of modern British drawings, paintings and sculpture at Sotheby's yesterday which produced auction record prices for two artists. Over at Sotheby's Belgravia another auction high was established when Martinis Forrest set £5,200 for an art deco figure of a dancer by Demetre Chiparus. The previous best for a Chiparus was £4,000, set in July. The artists to fix records were Montague Dawson, Frost and Reed paying £13,000 (plus the 10 per cent buyer's premium on all lots) for his sailing ship scene "Chasing the Slavers". (The old auction record was £8,700), and Christopher Nevill, whose war picture "The Road to Ypres" was bought by the Fine Arts Society for £8,500. The top price in a sale which totalled £174,821 was the £18,000 for a 1909 painting by Munnings, "Huntsmen and Hounds Crossing a River". The Belgravia art nouveau and art deco auction totalled £118,850. The highest price was £3,500 for a "Domino" clock designed in 1917 by the famous Scottish artistic pioneer, Mackintosh. A Tiffany dahlia lamp sold for £4,400. In New York on Tuesday Sotheby-Parke Bernet sold photographs for £123,649. The sale was full of surprises, some far exceeding the estimates. A price of £11,585 was paid for a scrapbook by the celebrated photographer Steichen. The estimate had been £5,000. On the other hand, the 12 prints of Mrs. Cameron's "Lulls of the King" sold below forecast at £2,591. Christie's was busy in London and Geneva. At King Street the first auction for some years to concentrate entirely on Japanese prints and paintings was encouragingly successful, totalling £28,053. The top price was £4,500 for a private collector's print, "Ohashi, Sudden Shower at Atake", one of a group of a hundred views of Edo. The auction of Indian, Tibetan and Nepalese works of art showed some improvement in prices over the last sale, with a total of £57,384. Two of the top lots were bought in, but a 16th-century silk Nor Pa Thangka, showing Hindu deities, did well at £3,200 to D. Newman, and an

18th-century Tibetan Thangka made £1,500. Meanwhile in Geneva on Tuesday last Christmas's held his big autumn silver sale, and brought in £276,205. A pair of Louis XV candlesticks, by the celebrated silversmith Thomas Germain, sold for £73,700, and a small silver vase by Hans Krieger, Burg of about 1600 made £37,600. A large silver-plated coffee pot made for Napoleon by Martin Guillaume Biennais fetched £31,250. Also active in Geneva on Tuesday night was Phillips, which held a jewels sale totalling £28,000, the highest sum from a single auction in the firm's history. The best price was £37,600 for an emerald ring flanked by diamonds. A pair of emerald and diamond earrings went for £27,500. A Christie's South Kensington sale was a high price of £4,600 for an Edwardian breakfast bookcase; Henry Spencer of Bedford, at a house sale, disposed of a 19th-century Russian bronze of a sleigh attacked by wolves for £1,250; while the best price at the Glendinning coin sale was the £1,600 from Chelsea Coins for a gold noble of Philip the Bold of Burgundy.

# Inflation, nationalisation cast biggest shadows

BY ERIC SHORT

CONTINUED inflation at were refusing to accept certain liability and malpractices because of the open-endedness of the resulting claims. Mr. David Donald, general manager of Standard Life Assurance, dealt with the role of insurance funds as a source of finance for developing industry. He said that the funds could be used to any material degree only within the countries where they had been gathered because of the prime responsibility of investment managers to the policy-holders whose money it was. There was little scope for British insurance funds to be invested outside the U.K. Mr. Donald attacked recent criticism of U.K. financial institutions for not supporting investment in British industry. Most of it was unjustified; there was no lack of willingness on the part of insurance funds to assist developing industry. What was disturbing was the lack of demand for finance. The supply of capital, like that of labour, responded in the usual way to the returns attainable. The prospect of higher profits would encourage more investment in industry, but the prospect was missing and if profits were subject to heavy taxation, the demand would not be met. He listed the support given by insurance and pension funds to industry through the primary market in the amount of rights issues taken up, but pointed out that equities were not the only form of capital raised by industrial firms. Financial institutions either directly or through the banking system, had provided industry with those other forms of capital—short-term credit, long-term fixed interest or property. Mr. Mark Welsh, managing director of Hambro Life Assurance, said that the U.K. life assurance industry had evolved over the last five years from one run on cost and traditional lines into one to which modern management techniques were being applied. Above all, the industry would have to find new sources of capital to finance growth and strengthen global insurance networks in order to underwrite the massive development projects under construction throughout the world. There was a need for better global reinsurance mechanisms. No one could now write business without taking into account international monetary and tax problems. Mr. Combe, managing director of the insurance industry, especially the climbing costs of court awards in the U.S. It was causing the industry to place more emphasis on risk management rather than risk taking, and many companies



and was now better placed to ever to serve the public. Sir Henry Mance, chairman of Willis, Faber and Dumas (Agents), and a former chairman of Lloyd's, spoke about the future of the individual underwriter. He said there were major factors which could inhibit the ability of an individual deciding to accept and rate insurance risk. Mass marketing and the use of computers tended to impede a "rule book" solution to underwriting. Money management of insurance funds and the use of committees carried the dangers of a joint underwriting decision being made for the wrong reasons. The growing importance of investment and cost savings could impose conditions on acceptance of business related to the risks involved while a committee decision usually a compromise. Sir Henry urged underwriters to be willing to accept the themselves in making an underwriting decision, although it should not be a decision to get all the facts and seeking advice. The problems of providing special insurance cover for multinational corporations were considered by Dr. Fabio Padua, chairman of Assicurazioni Generali, Trieste. He said that the underwriting and sales techniques applied to the requirements of small and medium-sized companies were not suitable for supply of the tailor-made products required by multi-nationals.

## Package

In general they require a single package policy to provide the cover. Insurers had to do about the traditional separate contracts by class of business or by country. Dr. Fathi Mohamed Ibrahim, chairman of MISIR Insurance, dealt with the insurance potential in the Arab world, with rapidly growing industrialisation thanks to oil revenues, off-goods prospects. Premium income, now approaching US\$1bn, was expected to rise in five years. The national insurance companies in the Arab world were to the world insurance market for active co-operation in growth, and that could be achieved through the provision of reinsurance facilities. Mr. Oris Glarlat, general secretary of the Association Internationale pour l'Etude de l'Economie de l'Assurance, dealt with the impact of technology's diminishing returns on risk and insurance. There was a strong move towards larger and new markets insurance industries and the greater concentration of management.

Technological advance creating a situation where there were risks of a catastrophe. There was a strong tendency for risks to increase more rapidly than the general growth of economy, resulting in a measure of under-insurance. Mr. Randle Manwarrie, chairman of Midland Bank Insurance Services, discussed growing association of bank and insurance. The provision of insurance services by banks now gone far beyond the bank manager acting as a time insurance agent to a full professional operation using the bank branches marketing outlets.

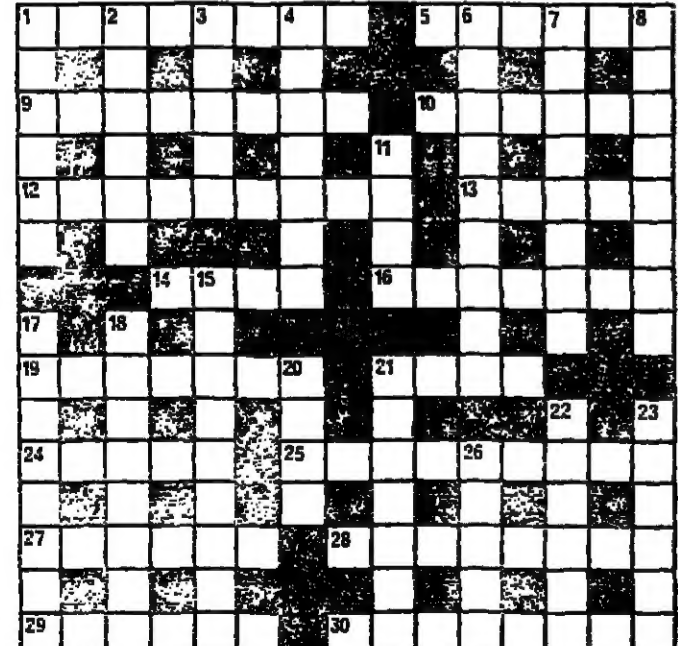
## Efficiency

Much more effort was being devoted to efficiency and competitiveness and more attention given to concentrating the marketing of life assurance fully-trained, full-time professionals. Life companies were becoming more cost-conscious and the provision of guarantees on life insurance was being restricted. Many of these were meaningless and inhibited freedom of investment. The life assurance industry had successfully adapted to the strains imposed on it by the financial upheavals of 1974-75.



Indicates programme in black and white. **BBC 1** 9.41 a.m. For Schools. Colleges. 12.55 p.m. On The Move. 12.45 News. 1.00 Pebble Mill. 1.45 p.m. 2.00 You and Me. 2.15 For Schools. Colleges. 3.52 Regional News (except London). 4.53 Play School. 4.50 Astronaut. 4.53 Jargonary. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.15 The Oddball Couple. 5.30 News. 5.55 Nationwide.

## F.T. CROSSWORD PUZZLE No. 3,232



- ACROSS**
- Flat wind instrument or missile launcher (8)
  - ... and the way to call one of four on the dial (6)
  - The next real uper is outside (8)
  - Gain from professional in suitable condition (6)
  - Fish the French turn brown gives a quick (9)
  - Southern impulse to become a swell (5)
  - A note right at a distance (4)
  - Soldier not generally known (7)
  - A mother insect is obstinate (7)
  - Legend from South African state (4)
  - Foreigner with a legal right (5)
  - After that time depend confidently and frankly (9)
  - Frank is capable and performed (6)
  - Settler for intestine—when it's upset (5)
  - Pull hard in river flood (6)
  - Proposed to take in last culprit (5)
- DOWN**
- Left in sand to make whiter (6)
  - Expenditure but not in non-professional (5)
  - Danger for each one left (3)
  - Rendition from revised psalter (7)
  - Hiding eruption in article (9)
  - It's a pleasant in broken with a learner (8)
  - Collected gun here and died (8)
  - Pans around for game (4)
  - Ornamentally displaying female relative in dance (9)
  - Weighted what is reasonable (8)
  - Reasonable portion of food one left (5)
  - Team leader has to request a job of work (4)
  - Despatch for a farewell party (4,3)
  - Depended upon priest appearing in red (6)
  - Boy's terrified holiday fish (8)
  - Elicit what's all right in woman (5)

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**BBC 2** 11.00 a.m. Play School. 11.30 a.m. Open University. 1.00 News on 2 Headlines. 7.05 Your Move. 7.20 Newsday. 8.05 Diary of a Village. 8.25 The BBC Programme introduced by Robert Robinson with Patricia Highsmith. 9.00 The Hollywood Musical: "Singin' in the Rain" starring Gene Kelly. 10.40 Late News on 2. 10.50 Family Portrait. 11.30 Closedown: Peter Jeffrey reads "Song" by John Donne.

**LONDON** 9.30 a.m. For Schools. 10.40 Manifesto. 11.00 For Schools. 12.10 p.m. Animal Kwakers. 12.10 p.m. Rainbow. 12.50 Women Alone. 1.00 News on One. 1.20 Lunchtime Today. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 South Riding. 2.30 Heart to Heart. 3.50 Emmerdale Farm. 4.20 The Little House on the Prairie. 5.15 Bless This House. 5.45 News. 6.00 Today. 6.30 Crossroads. 7.00 Thursday Adventure Film: "Will Penny" starring Charlton Heston. 9.00 This Week. 9.30 NUTS.

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## SOUTHERN

12.00 p.m. Southern News. 2.00 Women Only. 2.30 News. 3.00 Southern News. 3.30 Southern News. 4.00 Southern News. 4.30 Southern News. 5.00 Southern News. 5.30 Southern News. 6.00 Southern News. 6.30 Southern News. 7.00 Southern News. 7.30 Southern News. 8.00 Southern News. 8.30 Southern News. 9.00 Southern News. 9.30 Southern News. 10.00 Southern News. 10.30 Southern News. 11.00 Southern News. 11.30 Southern News. 12.00 Southern News.

## TYNE TEES

12.00 p.m. Tyne Tees News. 2.00 Women Only. 2.30 News. 3.00 Tyne Tees News. 3.30 Tyne Tees News. 4.00 Tyne Tees News. 4.30 Tyne Tees News. 5.00 Tyne Tees News. 5.30 Tyne Tees News. 6.00 Tyne Tees News. 6.30 Tyne Tees News. 7.00 Tyne Tees News. 7.30 Tyne Tees News. 8.00 Tyne Tees News. 8.30 Tyne Tees News. 9.00 Tyne Tees News. 9.30 Tyne Tees News. 10.00 Tyne Tees News. 10.30 Tyne Tees News. 11.00 Tyne Tees News. 11.30 Tyne Tees News. 12.00 Tyne Tees News.

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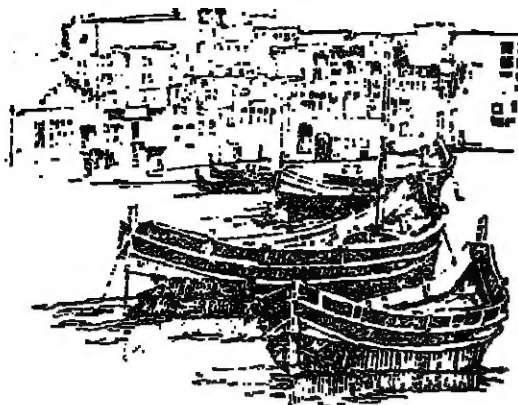
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## Your meetings guide to the Malta Hilton



the scope is tremendous. At the Hilton we handle groups of 5 to 500 with equal ease. While available at no extra cost are microphones, public address system, portable stage, spotlights and easels.

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St Julian's Bay area, is the perfect starting point. The Grand Harbour at Valletta is only 15 minutes away. Mdina, a few miles inland, is a



dramatically beautiful medieval town on top of a high hill. Gozo is a delightful island, a short boat trip away. To get the real flavour of Malta's history, simply visit the Travel Agent's counter in the foyer and book one of the guided tours (in different languages) which leave the hotel daily. You'll be amazed at how much there is to see and do in Malta—all within a 30-minute car-ride from the hotel.

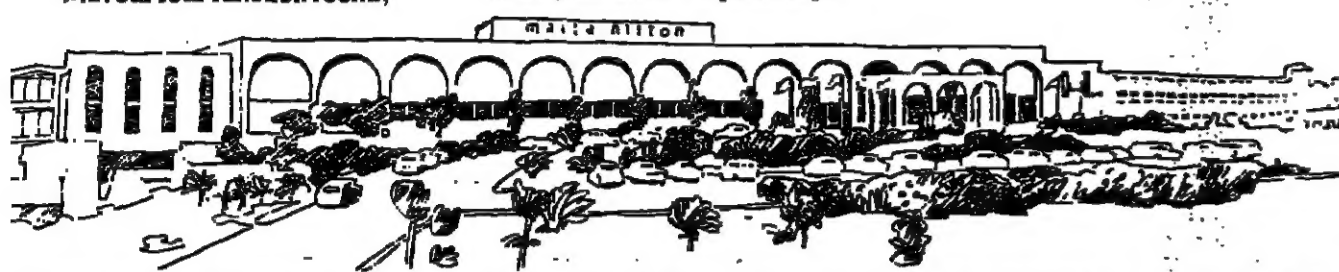
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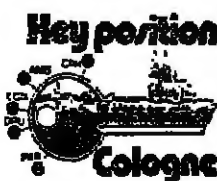
For more details of the meeting facilities at the Malta Hilton, contact: Malta Hilton International, London Hilton, Park Lane, London W1A 2HH. Tel. 01 629 0015.

**HILTON INTERNATIONAL**

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<b>JAN 19</b>	German Furniture Fair*
<b>JAN 23</b>	ISM*
<b>JAN 31</b>	International Sweets and Biscuits Fair
<b>FEB 04</b>	DOMOTECHNICA*
<b>FEB 10</b>	International Fair for Household Appliances, Fittings and Components
<b>FEB 12</b>	International Housewares Fair*
<b>FEB 13</b>	International Hardware Fair*
<b>FEB 15</b>	Tools-Locks-Fittings-D-I-Y Supplies
<b>FEB 27</b>	International Men's Fashion Week*
<b>MAR 01</b>	Men's Fashion Week*
<b>MAR 11</b>	International Fair FOR THE CHILD*
<b>MAR 12</b>	West German Fine Arts and Antiques Fair Cologne-Düsseldorf
<b>MAR 20</b>	INTERZUM*-International Accessory, Equipment and Material Fair for Furniture Production, Interior Decoration and Furnishings - Machines for the Upholstery Industry.
<b>MAY 14</b>	17
<b>AUG 21</b>	International Men's Fashion Week*
<b>AUG 23</b>	ANUGA* World Food Market
<b>SEP 10</b>	15
<b>SEP 25</b>	SPOGA* International Trade Fair of Sports Goods, Camping Equipment and Garden Furniture
<b>SEP 25</b>	27
<b>SEP 25</b>	International Garden Trade Fair*
<b>OCT 07</b>	International Fair FOR THE CHILD*
<b>OCT 09</b>	FOR THE CHILD*
<b>OCT 12</b>	15
<b>OCT 12</b>	15
<b>OCT 26</b>	31
<b>OCT 31</b>	Art Fair Cologne

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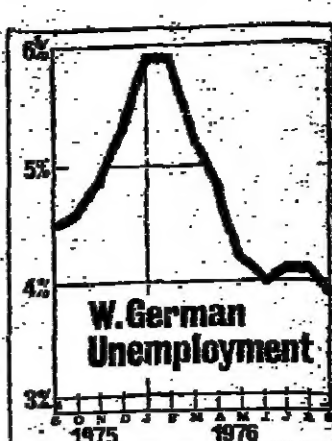
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## EUROPEAN NEWS

### Germany gives DM430m boost to labour mobility

BY NICHOLAS COLCHESTER

THE West German Cabinet today gave the go-ahead to a long-awaited DM430m programme to boost labour mobility. Together with other measures against unemployment to be financed out of the reserves of the Federal Labour Office, today's decision means that a total of DM1.6bn. will be made available between now and the end of 1977, not to create new jobs, but to train and encourage people to take up jobs that already exist.



12.5 per cent up on the second quarter.

Meanwhile, despite continued international pressure, the German Government still insists that the German economy needs no more general reflation. The Government spokesman, Dr. Armin Greewel, said: "The Government is not even thinking about it." He forecast neutral fiscal policies in 1977 and a broadly unchanged monetary policy for the time being.

Dr. Greewel sought to justify the Government's stance by appealing to recent order statistics. These do, indeed, suggest that the summer pause in German economic expansion has ended and that internal demand, as opposed to export demand, is getting moving again. The September figures for demand in the capital goods industry are particularly encouraging, with domestic orders for plant and machinery in the third quarter

BOON, Nov. 10.

of 1977, when the real annual rate could fall back below the rate of 4 per cent that is traditionally regarded as the transition point between falling and rising unemployment.

### Callaghan to seek French sympathy

By Reginald Dale, European Editor

MR. JAMES CALLAGHAN, the Prime Minister, will seek sympathy for the British position in the new annual Anglo-French summit this evening. The Prime Minister is understood to be anxious to ensure that the conditions attached to the summit are not too strict.

Mr. Callaghan will not be asking for any specific financial aid during informal talks, which are to last until tomorrow noon. But it is likely either he or Mr. Denis Healey, the Chancellor of the Exchequer, who is to be Friday's talks, will discuss the future of the sterling with their French counterparts.

Three Ministers—Healey, Mr. Edmund Dell, Minister for Trade, and John Silkin, the Minister of Agriculture—will be beginning the talks tomorrow. This is because the C.O.D. has only allowed arrangements for the Minister and Mr. An Cresswell, the Foreign Secretary, to discuss the sterling on the basis of the Paris talks.

The British side is on the line that the regular summit exchange starting is more significant than the actual items to be raised in the discussions which will all be in Rambouillet.

The main points expected to include the economic situation and the balance of payments. The British side is expected to discuss the current EEC issues such as common fisheries policy with Japan, the future of the Brussels Commission, the Tindemans Report, European union.

Robert Marjolin, who is in Paris, the French Minister, which is expected to be a significant factor in the discussions. The British side is expected to discuss the current EEC issues such as common fisheries policy with Japan, the future of the Brussels Commission, the Tindemans Report, European union.

### Kekkonen move in rail dispute

BY LANCE KEYWORTH

HELSINKI, Nov. 10.

MR. URHO KEKKONEN, the President of Finland, today made a dramatic intervention in the illegal strike of 670 train dispatchers that has paralysed the Finnish railway system since midnight on Monday.

In a nationwide broadcast, he said that he would not counter-sign any bill or decree that was introduced to lower the pension age of the striking railwaymen from the present 65 to 58 years in order to end the strike. In other words he was telling them that he would exercise his constitutional veto right and that the union had nothing to gain by continuing the strike.

Giving way to the train dispatchers' pension demand would mean that another 50,000 public-sector employees would want the same benefit. That would cost the country an extra Fmk350m a year in state pension outlays, the President said. The repercussions in the private sector would be incalculable.

The President's initiative underlines the serious threat that the strike posed on the country's troubled economy. It also points to the growing concern in Finland on the ability of small groups of workers to continue the strike.

Early reactions from union leaders indicated that the President's intervention today could mean the end of the dispatchers' strike. However, due to lack of train services, the union is having trouble in getting its officials to Helsinki to discuss the new situation and decide on the course of action to be taken now.

There is also likely considerable discussion current EEC issues such as common fisheries policy with Japan, the future of the Brussels Commission, the Tindemans Report, European union.

### Ponomarev to visit Lisbon

BY OUR OWN CORRESPONDENT

LISBON, Nov. 10.

THE SOVIET Union is to send a high-powered delegation, led by the Kremlin's top liaison man with the western world, Mr. Boris Ponomarev, to the 35th annual congress of the Portuguese Communist Party which opens here tomorrow.

The four-day conference begins with the Portuguese Communists visibly confident of reversing the decline in their fortunes since the crushing of the Left-wing military rebellion last November 25. Dr. Alvaro Cunhal, the party leader, conceded to reporters, this week that the party may

have made a "few tactical mistakes, like any political force." He stressed, however, that the party had no intention of giving up its long-standing policy of Moscow-oriented party in western Europe, dismissing "speculation by the Right that we may move closer to so-called Western European type of socialism."

### U.S.-EEC fish talks make good progress

By Robin Reeves

THE FIRST round of negotiations to secure continued access for European Community fishing boats to American waters, after the U.S. adopts 200-mile limits next March 1, was completed here today.

### General strike in Rome

BY DOMINICK J. COYLE

ROME, Nov. 10.

The talks were described as having made good progress. A concluding round is expected to take place in a few weeks' time, resulting, hopefully, in an EEC-U.S. framework fisheries agreement.

ROMANS today shrugged off yet another general strike and awaited a speech to Parliament scheduled for later tonight by Sig. Giulio Andreotti, the Prime Minister, to learn what, if any, further measures of austerity are planned by the minority Christian Democratic Government in its effort to tackle Italy's economic crisis.

The strike today in Rome and the Lazio region was part of a series of industrial stoppages throughout the country in protest against the austerity measures announced so far by the Andreotti administration, whose future depends on the outcome of a three-day parliamentary debate on the economy opening this evening.

This will give Community recognition to the extension of U.S. jurisdiction over waters up to 200 miles of the U.S. coast and, vice versa, provide for U.S. recognition of the 200-mile limits to be adopted by EEC member states on January 1.

The Communist Party (PCI), which has been in power since the election, has now instructed its parliamentary party to determine its voting attitude at the end of the debate on Friday, on the basis of the commitment to the Andreotti administration.

The Communist Party leadership is fully aware that its current policy of tacit support for the present Government risks a reversal of the traditional dichotomy between the political and trade union Left, and the Christian Democratic hierarchy.

Fishing by Common Market countries on the other side of the Atlantic has been traditionally very limited. Recent annual catches by boats from Brittany, Italy and West Germany, have totalled about 30,000 to 35,000 tonnes which is just under 1 per cent of the total catch in these waters, (some 4m. tonnes), and only 4 per cent of the EEC's total catch outside Community waters.

### Ruling on Rhine effluent

BY A. H. HERMANN

MANUFACTURERS and exporters of defective products could face law suits in foreign courts, should the European Court follow the opinion presented to it in the Rhinewater case yesterday.

The main legal issue in the first opinion presented to the court by Sig. Francesco Capovilla, recently appointed as one of the four Advocates General, concerns the interpretation of Article 5/3 of the European Convention on Jurisdiction and Enforcement of Civil and Commercial Judgments.

The convention provides that a person who suffered damage by a civil wrong can sue the perpetrator in the court of the place where the wrong took place.

This legal issue will be decided in the course of the Rhinewater case, which appears to have no connection with the export of goods at all. It concerns litigation in which Dutch market gardeners are suing the

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BY N.Y. PUBLI



## EUROPEAN NEWS

## Swedish unions push for more benefits

WILLIAM DUFFLOR

STOCKHOLM, Nov. 10.

Swedish employers and new co-determination law will be on a collision course conducted simultaneously with the wage bargaining. Mr. Nilsson listed a number of new demands. These included the right for the unions unilaterally to determine working hours, the form in which wages should be paid, and an unprecedented opening of the condition of industry entirely to pro-wage increases next year. He also tabled demands for a system, demanded by the unions in order to reduce unemployment, to be interpreted as industrial productivity, to support the worker participation, which under the

At a time of growing discontent among its populace, East Germany has concentrated political and party power in the hands of one man. Leslie Colitt reports from Berlin

## Honecker tightens his grip



Herr Erich Honecker



Herr Horst Siedermann

THE recent reshuffle of East Germany's top leadership not only took Europe by surprise; it has also happened at a time when signs of restlessness are multiplying among the East German population. Whether there is any connection is still uncertain. But reasons are now emerging for this change, apart from anything else, they showed once again that East Germany can engineer a new leadership more efficiently than most other Communist countries.

The reshuffle has concentrated all major State and party power into the hands of one man, party General Secretary, and now President, Herr Erich Honecker. In the process, Herr Horst Siedermann lost his job as Prime Minister and has been sent off into East Germany's version of political limbo, the Presidency of the Volkskammer, the country's rubber stamp Parliament.

The third figure in the reshuffle is Herr Willi Stoph who relinquished the Presidency to Herr Honecker and was moved into Herr Siedermann's post as Prime Minister, a job which he previously held until 1973.

Among the official reasons for Herr Honecker's elevation was that given by Herr Stoph when he made the announcement over television to an astonished East German population. The change, he said, was confirmed with the practice established for some time that the party leader had represented East Germany in important basic decisions and in international relations.

**Top man**  
In other words, Herr Honecker is following the trend set by Bulgaria, Romania and Czechoslovakia of giving the top party man the top political post. More puzzling, though, is the removal of Herr Horst Siedermann, a popular and able figure who made his name as party chief in the important industrial area of Halle. Unlike his distant and wooden colleagues, Siedermann exudes warmth, and is an engaging public speaker.

Most important, perhaps, was his following among the intelligentsia, which respected his abilities but is simultaneously leading the growing mood of popular defiance towards the government. Petitions are being signed demanding that the authorities live up to the humanitarian section of the Helsinki agreement, that they end the ban on practising Christians entering university, and that they observe the passage on freedom of movement in the UN Declaration of Human Rights.

At least 100,000 of them have now applied to leave and resettle in West Germany. The authorities fear that this may only be the tip of the iceberg and that the more applications they approve, the more that will apply to leave.

Tensions have developed over the past year between the central government in Berlin under Herr Siedermann and local officials on how to deal with the problem. In a number of instances Berlin took the more pragmatic

approach and approved the exit applications of citizens who insisted they could no longer live in East Germany. But these decisions were then blocked by local officials and the omnipresent state security apparatus. Both have their anger on the pulse of everyday East German life and have registered an alarming rise in the number of East Germans prepared to form protest groups and risk their livelihoods in doing so.

The new Prime Minister, Willi Stoph, who is East Germany's highest ranking general and has long-standing relations with the Ministry of State Security, can be counted on to see that security considerations are placed before all others.

Siedermann's removal may also be connected with his economic responsibilities at a time when the country was going through an exceptionally difficult period. It is already seen East German industry condemned to technological backwardness because of its large level of trade with the Soviet Union. Herr Siedermann is said to have carefully listened to such complaints without rejecting them with the expected firmness in the words of one East German functionary.

East European communists in East Berlin say that Herr Siedermann, in fact, favoured greater industrial cooperation with West Germany as a means of modernising East German industry and at the same time reducing the DM15bn. debt East Germany has piled up with western countries.

Such cooperation would have included building factories in

East Germany to produce consumer goods for the West German market, but this plan was condemned by the established leadership as one which would make East Germany industry "an extended work-bench of the West German monopolies."

The East Europeans say that as a result of this idea, Herr Siedermann came to be regarded with deep suspicion by the Soviets who react quickly to signs of "bourgeois nationalism" in East Germany. The Soviet ambassador to East Germany, Mr. Piotr Abrassimov, whose role is closer to that of a Roman proconsul, is reported to have developed a special aversion toward the Prime Minister.

**Approval**  
Herr Siedermann's views contained a good deal of sense. But Herr Honecker is not one to resist Soviet counsel and, in addition, he counted on Moscow's approval for his plan to take over the Council of State. In the tradition of East German political demotions, Herr Siedermann has kept his political seat and is not being criticised publicly.

Parallel with the government reshuffle, ranking East German party officials have lashed into West Germany in their recent speeches. Herr Willi Stoph, in his first address to the new parliament presided over by Herr Siedermann, has spoke of the "growth of revanchism" in West Germany. The leading party ideologist, Herr Kurt Hager, says: "Leading politicians in West Germany make no secret of the fact that they are 'openly interfering into the internal affairs of our State.' He reminds listeners that the frontier between East and West Germany is the 'border between socialism and imperialism.'"

The East Europeans here say this strident language reflects the problems the East German leadership is having with its newly-assertive populace.

## viet missiles in Baltic

HILARY BARNES

COPENHAGEN, Nov. 10.

SOVIET submarines are said to fire nuclear missiles over the Baltic from the Atlantic within the weeks, according to military intelligence. It is thought to be the first time that such vessels have been in the Baltic, and there has been a report of six such submarines in the Baltic.

Staff members said they did not know why the

submarines, which are of the Golf II class, were there. It may be that they have gone for repairs to Baltic shipyards, or that they have arrived for strategic reasons. The Golf II class were constructed in 1953-52, and modernised and equipped with surface-to-surface missiles in 1967. They are able to launch Serb class missiles with a range of 1,200 kilometres. The defence sources were unable to say whether the submarines are equipped with atomic warheads at present.

There are no international agreements forbidding the USSR to bring the submarines into the Baltic, but the move may further disturb Danes who are worried by the increasing intensity of Warsaw Pact military activity in the Baltic. Both the Prime Minister and the Foreign Minister have been raising this issue with Warsaw Pact counterparts, but have received no satisfactory answers. When Soviet Foreign Minister, Mr. Andrei Gromyko, was in Copenhagen recently, he denied that there had been any increase in Soviet military activity in the Baltic.

## ow talks end

Communist Party leader, onid Breshnev, and his counter-part, Mr. Edward yesterday ended talks on co-operation between the two countries. The talks, started on Tuesday, problems of economic in the Communist bloc Comecon, as well as relations. Observers Mr. Gromyko had probably was in Copenhagen recently, he denied that there had been any increase in Soviet military activity in the Baltic.

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## Turkish order for Foster Wheeler

Financial Times Reporter

FOSTER WHEELER Intercontinental, an affiliate of Foster Wheeler Corporation, has received a contract for the construction of a 1,340 MW lignite coal fired electric power plant in Turkey, valued at \$140m, of which approximately 80 per cent is in Turkish lira.

The contract, awarded by Turkey's Elektrik Kurumu (TEK), the State-owned power authority, covers erection of four steam turbine generating units, boilers and associated equipment at a site near Elbistan, 200 miles north-east of Adana. The first unit is scheduled to start operating in 1979, with the fourth going on line in 1980. When complete, the plant will be the largest thermal power generating facility in Turkey, providing 5,500 KW-hr/yr.

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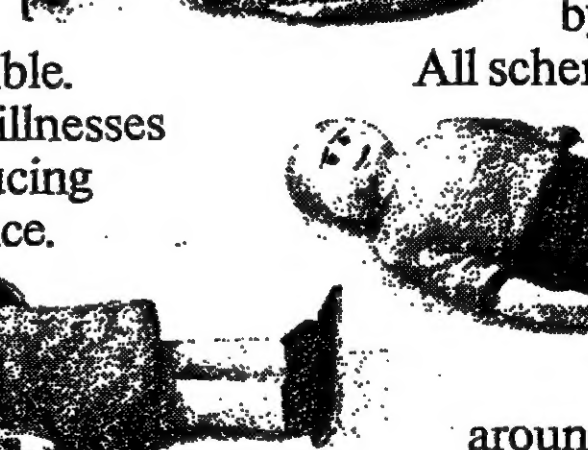
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## AMERICAN NEWS

## Governor takes up Mondale's Senate seat

Mr. Wendell Anderson, the Democratic Governor of Minnesota, has decided to take up himself the Senate seat from the state being vacated by Mr. Walter Mondale, the Vice-President elect, writes Jurek Martin in Washington.

This brings to 19 the new faces in the Senate, but it does not of course, change its party balance, which remains at 62 Democrats (including a nominal Independent, Harry Byrd Jr. of Virginia, who normally votes with the Democrats) and 38 Republicans.

Governor Anderson said that he had conferred with both Mr. Mondale and Senator Hubert Humphrey, as well as with leaders of the local farm-labour party that is influential in Minnesota. Mr. Anderson is cast very much in the same mould politically as the two current Senators.

## Rail freight rates

U.S. railways have asked the Interstate Commerce Commission to approve a four per cent. across the board increase in freight rates effective January 1, the Eastern, Western and Southern Railroads said in Washington, Reuters reports.

## Chrysler layoffs

Chrysler Corporation has said that it will lay off 14,200 workers at its Hamtramck, Michigan, and St. Louis assembly plants for one week periods this month and next to reduce stocks of Plymouth Volare and Dodge Aspen models, Reuters reports from Detroit.

## Quebec poll

An opinion poll published yesterday in Montreal newspapers confirmed that the electorate is in the mood to punish the Liberal Bourassa Government but is still strongly against separatism, writes Victor Mackle in Ottawa. About 80 per cent. of voters polled preferred the separatist Parti Quebecois and 16 per cent. said they would vote Liberal, 30 per cent. were undecided. Only 18.4 per cent. were in favour of separation.

## Developing loans

U.S. bank lending to developing nations continued to climb last year despite concern in the banking community about the ability of these countries to meet mounting foreign debt payments, according to the New York Times quoted by AP-DJ. As of mid-year, banks in the U.S. and their major foreign branches had \$22.6m. in loans outstanding to Argentina, Brazil, Mexico, Peru and Indonesia.

## IBM facing \$300m. claim in major new anti-trust suit

BY STEWART FLEMING

NEW YORK, Nov. 10.

WITH THE U.S. Government's IBM. These include Memorex Corporation, Sanders Associates, and Forre Precision. IBM has already faced a number of anti-trust suits from companies in the computer business and has not lost one in 1973. Telex won a \$250m. suit but the decision was subsequently reversed on appeal.

The California Computer's case, due to begin on Monday, claims, among other things, that IBM has cut its prices on some products to force small competitors out of business.

For its part, IBM argues that California Computer is in part complaining about alleged actions which took place before it was in the market competing with IBM.

## NY schools told to end teacher discrimination

BY STEWART FLEMING

NEW YORK, Nov. 10.

A UNITED STATES Government civil rights agency has warned New York City's public school system that it may withdraw \$200m. in Federal funds for education if the city continues to discriminate against women teachers and teachers from racial minorities in hiring, promotion and assignments.

Mr. Martin H. Gerry, director of the Health Education and Welfare Department's office for civil rights, has alleged that the New York school system examinations for hiring teachers were discriminatory and that minority teachers who passed were too frequently assigned to minority schools.

He claimed that the system denied women access to posts as principals and assistant principals and paid women athletic coaches less than men.

Mr. Gerry pointed out, however, that the objective of his department was not to impose sanctions on the financially pressed city but to press it to end discriminatory practices.

## Argentine guerillas killed

BY ROBERT LINDLEY

BUENOS AIRES, Nov. 10.

POLICE and Army units killed 18 guerillas in four encounters with the security forces in the area of La Plata, 35 miles east of here and the capital of Buenos Aires province, it was officially reported to-day.

The official reports say that the dead guerillas were suspected to be involved in the placing of a bomb in the provincial police headquarters in La Plata. The bomb exploded last night, killing a policeman and wounding ten others, including the province's deputy police chief, one of whose arms had to be amputated this morning.

The guerillas here seem to be no longer capable of carrying on guerilla warfare—by attacking police stations and army garrisons en masse—but are limited to placing bombs strategically and to assassinations, especially of business executives—almost always Argentines.

With the shooting down yesterday of Sr. Adolfo Valis, personnel manager of a tractor factory and a retired air force major, the number of executives murdered by guerillas since the March 24 coup d'etat rose to 27.

## Peru seeks foreign capital for oil

LIMA, Nov. 10.

PERU's President Francisco Morales Bermudez said to-day that Peru is making a "new opening" for foreign capital in the nation's oil industry to supplement its production against the constant possibility of world rises.

"Peru cannot do it alone," the President said after a week's visit to Peru's Amazon jungles where he met the Brazilian President Ernesto Geisel and inspected Peru's northern oil pipeline.

The President said Peru hoped to pump between 40,000 to 50,000 barrels a day through the 517-mile pipeline in the first half of next year. It is hoped later to increase output by an additional 100,000 barrels a day.

The pipeline, financed by foreign capital with the State company Petro-Peru is scheduled to be completed in January.

The President said that Peru "must continue to look for oil in its jungle regions." He emphasised that the present Peruvian model for exploration was not sufficient and that a "greater opening" for foreign capital will be made.

Peru's jungle proven reserves are estimated at 500m. barrels. The country now produces about 60,000 barrels a day and needs another 50,000 to 55,000 more a day to fill internal consumption needs.

AP-DJ

## Concern at API meeting

SAN FRANCISCO, Nov. 10.

OILMEN clearly won the first round this year in U.S. Congressional efforts to break up the bigger oil companies but are convinced that the fight is far from over.

Confusion and uncertainties about President-elect Jimmy Carter's positions on oil matters including divestiture, as proposals to fragment the oil companies are called, are compounding the oilmen's concern.

The pessimism is hardly unanimous, however. Many of the oilmen interviewed at the American Petroleum Institute's (API) annual meeting here this week suggest that a Democrat in the White House might not be all bad news for the oil industry.

AP-DJ

In the second of his three articles on the Amazon, David White, our Brazil correspondent, reports on the violent issue of land ownership.

## The Wild West of Brazil

WHO OWNS the Amazon? The question may seem absurd for an area which supports, particularly in its remote western region, the sparsest of human populations. Over huge areas of Northern Brazil there is nobody around to lay a claim. But where the land can be got to, ownership has become a complex problem, overlaid with political and social issues and fraught with violence.

In areas which have been opened up to farming—in the states of Maranhão, Pará and Mato Grosso, and the territory of Rondônia—land has been pitched into conflict. Government authorities, which set out a few years ago to foster the beginnings of Amazon development are now over-wrought with trying to sort out the tangles.

Four of this year's incidents serve to illustrate some of the tensions involved—in January, three Government mining officials were killed by Indians in the Transamazonian highway; in April, a labour contractor for a farm was killed by settlers; in July an American rancher, who had tried to oust squatters from his land, and two of his sons were ambushed and killed; in the same month, a mission priest and an Indian were murdered by about 70 farmers and gunmen. It must be the nearest modern equivalent to the Wild West. In the city of Manaus, firearms are easily obtainable in the shops, and rifles, for hunting jaguars or for self-defence, are standard equipment.

There is no accurate measure of the number of people moving out along the roads. In Rondônia, the most recent problem area, estimates range upwards from 150 families a month, all after land. Quite big towns have sprung up in a few years. Some of the arrivals, who come mostly from the south, 2,000 miles or more away, are accommodated in settlement projects with standard lots of 250 or 500 acres—for which the rock-bottom price is little over £1 an acre. Others occupy plots which will nominally be theirs after they have farmed them for a year and a day.

But the National Institute for Settlement and Land Reform (Incra) is notoriously behind-hand in regularising settlers' claims, which are often at odds with the claims of others. "The land here," I was told, "has already been sold up to the fourth floor." Incra, a Govern-

ment agency, has already had to make several major readjustments to its ideas since the colonisation of the region started in the 1960s, with the road that goes north from Brasília to Belém. Settlement there, the first test of Brasília's role in opening up the interior of Brazil, was chaotic. On the Transamazonian, which cuts across the region, it set up "integrated" farming towns and brought settlers in along the road (it later came to the conclusion, according to an official report, "that air transport would be less burdensome").

This "materialistic" phase of settlement has been abandoned. The need to lead settlers in by

already, a number of cattle ranches several times as big as the growth of big land holdings has been the cause of many ten-sions. Many of the immigrants in places like Rondônia have been bought out elsewhere, and they are running out of space. There is just not enough usable land that is accessible.

The posseiros—those who move on to the land without legal rights—lead a precarious existence, and malaria is prevalent along the roadsides. In many cases their disputes with farmers are about land that the farmers themselves do not own. It is standard practice to extend the limits of your land, virtually at will.

In Rondônia alone, over 4,500 square miles have been illegally laid claim to in this way, according to Incra. In the west of Maranhão, farming groups from Minas Gerais have moved in where 15,000 posseiros are already busy growing rice, maize, and cotton, and in Mato Grosso farmers have been known to use forged documents purporting to date to 1821 to prove their right to the land (the documents reportedly mention a road which was not there in 1821, let alone 1822).

Incra has put programmes to redistribute parts of some large holdings, granting loans to the recipients. But bureaucratic procedures drag on for months. One company I spoke to, which had bought 400,000 acres, had decided it had waited long enough and started clearing the land of trees, without definitive land rights, and fully expecting to lose part of the area.

Disputes also arise about areas reserved for Indians, who under the constitution have the right to the land they live on. Ownership nominally resides with the State, and the Indians have no rights to the subsoil. Usually, frictions arise from administrative mistakes—a road that cuts through the famous Xingu National Park, which the Villas Boas brothers set up, or delays in marking out the boundaries of the more recent Aripuanã Park, lying further west.

In the case of Aripuanã, between 3,000 and 4,000 posseiros took, or were sold, Indian land. The Indian authorities offered part of what was earlier designated a "protected" area to settle the posseiros, but there are more posseiros already there. Similarly in Maranhão, the land of the Guajajara tribe has been in dispute.

Incra has tended to play these

arguments down, but there is genuine fear that the Indians will start acting of their own accord. At times, Incra and the Indian authorities have been a loggerheads with one another. In one place Incra set up a settlement office a stone's throw from an Indian post, supposedly in the middle of Indian territory. Incra wants the Indians to accept land on the same basis as other people—250 acres per family—but for people subsisting on hunting-game that is not much. In northern area the Indians do not even get that amount.

On top of this there have been clashes between posseiros and other settlers with land entitlements—all this in an area where farming is still an uncertain

business, and where farmers can be heard talking endlessly about what they will try to grow or how, without knowing how it will turn out.

For anyone prepared to take on the risks and uncertainties, land is still going cheap—you might reckon on £5-£7 an acre. Foreign-owned holdings are subject to some restriction—you may not own more than a quarter of a municipality borough and groups of the same nationality may not own more than two-fifths. But then so is the subsoil. Usually, frictions arise from administrative mistakes—a road that cuts through the famous Xingu National Park, which the Villas Boas brothers set up, or delays in marking out the boundaries of the more recent Aripuanã Park, lying further west.

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# OVERSEAS NEWS

## Britain tries for compromise on independence date

BRIDGET BLOOM, AFRICA CORRESPONDENT

GENEVA, Nov. 10. PAINFUL and prolonged negotiations have been under way for Rhodesia's independence since the British Government announced its intention to grant it on June 1, 1977. The British view appears to be that while the white Rhodesians could be persuaded to accept a 15 months transition (instead of 23 months) they, and just as important, their South African backers, would not accept less.

It may indeed be a movement that the white Rhodesians, possibly as a result of pressure applied from Washington, through Pretoria over the past few days, are now apparently prepared to accept such a formulation.

Another possibly hopeful sign is that while the Africans are still adamant that the transition period must not be more than 12 months, they too are prepared to allow, albeit in a de facto manner, some slippage in the timetable.

Conference sources suggest that the Africans would settle for a declaration—which would have to be adopted by all parties—indicating agreement on a date within 12 months. They would, however, not object to Britain adding a separate caveat, part of the general conference declaration, that if the due processes were not completed in time, independence would be delayed, although not beyond 15 months.

It is far from clear at this stage whether such a compromise can be accepted. Manifestly, however, delegates are increasingly frustrated at the failure of the conference so far, and there is widespread talk of an adjournment if there is no agreement in the next two days.

## Unita Minister 'on visit to S. Africa'

OUR FOREIGN STAFF

FIGHTING continued in southern Angola, unconfirmed reports that the pro-western liberation movement Unita (National Front for the Total Independence of Angola), is in South Africa. He is reliably reported as having arrived in Johannesburg from town in Botswana on November 10. He was met, according to reports, by white South African officials.

His presence in South Africa, however, raises questions about Unita's involvement in the official South Africa's withdrawal from the last March 27, when it withdrew troops from the power lines on the Cunene river in the Namibia (Southwest) border which they had been guarding.

South Africa has been given from Mr. Sangumba's South Africa. If indeed here, it could be simply communications so far as the South African are concerned are better in South Africa than they are in Zambia. It is speculation that Mr. Sangumba could be seeking support from South Africa first, and then from the FNLA in August, 1975, and from operation areas in the north, 1976. It is thought unlikely that any troops would be sent into Angola.

W. Botha, the South African Defence Minister, has denied any involvement by the Republic saying "there is no aggression from our side. South Africa administers Namibia under a contested United Nations mandate."

What the 3,000 or more refugees who have fled south across the Namibian border say has been happening is that the Marxist MPLA forces of President Agostinho Neto strongly supported by Russian-supplied Cuban troops and apparently in a temporary liaison with Swapo (Southwest Africa Peoples Organisation) forces are attempting to crush the resistance of guerrillas of Unita, which is being led by Dr. Jonas Savimbi, before the first anniversary of Angola's independence from Portugal which falls today.

Other sources in Windhoek, the Namibian capital, say the recent intense fighting is the result of a counter-attack by Unita against the advancing MPLA.

The Cubans and MPLA forces began their sweep of the south just under a month ago. Until then the official line from Luanda had been that the lingering resistance from Unita in the south and the FNLA (National Front for the Liberation of Angola) in the north close to the Zaire border had been completely broken.

The FNLA was the third liberation movement in the civil war which came to an end last February after the South Africans withdrew their troops from Unita controlled territory and the mercenary directed troops of the FNLA in the north collapsed.

Since then, however, Unita in particular has continued to harass the MPLA. In particular, it has prevented the reopening of the strategic Benguela railway, which the MPLA said would resume operations last August.

There are no reliable estimates of Unita's strength. The last known figure some months back was 12,000 men under arms at least. Dr. Savimbi is recently said to have moved his headquarters from Cuango, the empty quarter in the south-east, to within 30 miles of the railway in Huambo province and to have spread his area of operations further south.

There are thought to be at least 15,000 Cuban troops still inside Angola and all the available evidence suggests they heavily outnumber Unita.

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## Economic emphasis in Egypt Cabinet

By Michael Tingay

CAIRO, Nov. 10. CHANGES in the Egyptian Cabinet yesterday have the potential to create the first strong economic administration in Egypt since President Sadat launched his "open door" policy three years ago.

Three moves are crucial. The appointment of Dr. Abdul Monem el Kaissouny as Deputy Prime Minister for Economic and Financial Affairs, the dismissal of Dr. Ahmed Abu Ismail, regarded by some as Egypt's worst-ever Minister of Finance, and the departure of Mr. Osman Ahmed Osman, the powerful Minister of Housing and Reconstruction.

Major changes occurred only in the economic sector which has been turned around with Dr. Mohamed Salahuddin Hamed, a professional economist from the Abu Dhabi Fund, replacing Dr. Abu Ismail, and Dr. Hamed el Sayed, put in charge of the Ministry of Economy and Economic Co-operation. Dr. el Sayed moved from the national bank where he had moved up as one of Dr. Kaissouny's proteges.

Mystery surrounds both the arrival of Dr. Kaissouny, on whom great pressure must have been brought to bear to persuade him to leave the Arab International Bank, the foreign currency operation which he personally set up in 1971, and the dismissal of Mr. Osman, whose son is due to marry President Sadat's daughter.

## ISRAEL AND THE PALESTINIANS

### PLO lies low

BY RICHARD JOHNS, MIDDLE EAST EDITOR

LAST WEEK Major-General Mordechai Gur, the Israeli Chief of Staff, observed that a whole year had passed without any of his countrymen, military or civilian, having lost their lives as a result of activity by Palestinian "terrorists."

For Israel this has been a matter of some satisfaction but hardly remarkable given the guerrilla movement's total preoccupation with the civil war in Lebanon.

More surprising, to apprehensive observers in Jerusalem and Tel Aviv, has been the absence of any activity on the northern border in the past two weeks since the Arab summit endorsed the peace formula worked out at the preceding meeting of Heads of State in Riyadh.

Within two days of the conclusion of the Cairo gathering, the Syrian Army was allowing the safe passage of commandos to the Arkoub area in the south-east of Lebanon. By doing so, it was honouring the key provision of the Riyadh compromise about the re-application of the Cairo Accords of 1969. Drawn up under Arab-Arab auspices after the fighting between the Lebanese Army and the Palestinians in that year, they laid down that the guerrillas armed presence in the Lebanon should be confined to the refugee camps and the Arkoub area, which was later called by the Israelis as "Fatahland."

Subsequently amended and clarified, the accords (which were never published) also defined the scope of operations against Israel which could be carried out—virtually limiting them to infiltration across the border. Nevertheless, to Israelis, the clear implication of the re-application of the accords and the return of the commandos to the Arkoub district was that the trouble could be expected.

Yesterday, however, at a briefing of Parliamentarians (apparently given by no lesser person than Mr. Yitzhak Rabin, the Premier) the Israeli Government gave air to its belief that Mr. Arafat might have decided to suspend guerrilla operations as part of a policy of co-ordination in preparation for a Middle East peace initiative next year.

To independent analysts it has long been clear that a key objective of Syrian strategy in the Lebanon has been to bring the guerrilla movement under a measure of control as a necessary precondition for meaningful peace negotiations within the context of a reconvened Geneva conference.

The immediate significance of yesterday's meeting between a "senior Israeli official" and journalists is that Mr. Rabin's Government now appreciates this. The second, and more intriguing aspect, of his interpretation of the situation on the border is that it may have taken the Israeli's political consensus a little nearer to the great psychological upheaval which will be necessary for negotiations with the PLO and an acceptance in the future of a Palestinian entity separate from Jordan on what is now occupied territory.

Yesterday in the Knesset, Mr. Israel Galilee, Minister without Portfolio and a key figure in the Israeli political establishment, reiterated his

Government's total opposition to holding any talks with the PLO. But at the same time Mr. Galilee, Minister of Justice, refused demands for action to be taken against four prominent Israeli "doves" who are reported to have held contacts with PLO representatives in Paris in recent months.

The former General Matti Peled, the Maverick left-wing journalist Uri Avnery, the left-wing MP Meir Pail, and former Minister of Finance Director General Dr. Yaacov Arnon—the four men concerned—are well to the left of even the moderate mainstream of Israeli politics. But their outspoken position on the need to face squarely the Palestinian question represents the tip of a much bigger iceberg of realisation that at some point a peace settlement must involve the PLO.

Parallel with it is the Government's awareness that the outgoing U.S. administration and the State Department have attached increasing importance to the Palestinian element in their thinking on the Middle East.

Mr. Rabin and his colleagues may have been surprised at the evidence that the Palestinians are not immediately planning to ambush school buses and attack civilian settlements in Upper Galilee. That, however, was the confident, explicitly stated, expectation of Egyptian and Syrian officials in the wake of the Cairo summit conference when they

were asked about the dangers posed by the guerrillas in the Arkoub area not only to the implementation of the Lebanese peace formula but also—more seriously—the Syrian-Israeli ceasefire.

It was pointed out that the Palestinians, after the battering received in the later stages of the fighting, would want, anyway, to "lie low" as they did after the civil war in Jordan in 1970.

Before any resumption of operations against Israel, there would have to be a debate about "responsibility" for what happened in the Lebanon and how 20 months of fighting achieved nothing for the Palestinian cause but, on the contrary, inflicted considerable damage on the unity of the PLO's mainstream and badly strained its leadership.

Quite apart from these obvious considerations, one senior Egyptian diplomat, known to be close to President Sadat, said: "The Palestinians will do nothing to upset the peace plan by provoking Israel." Although he did not say so, it seems probable that this was an unwritten part of the 13-point Riyadh agreement which Mr. Arafat had no choice but to accept.

The Egyptian envoy added: "Now they will have to define a policy."

At issue, of course, is whether the PLO will renounce the absolutist aim of a "democratic secular" state covering the whole of historic Palestine and

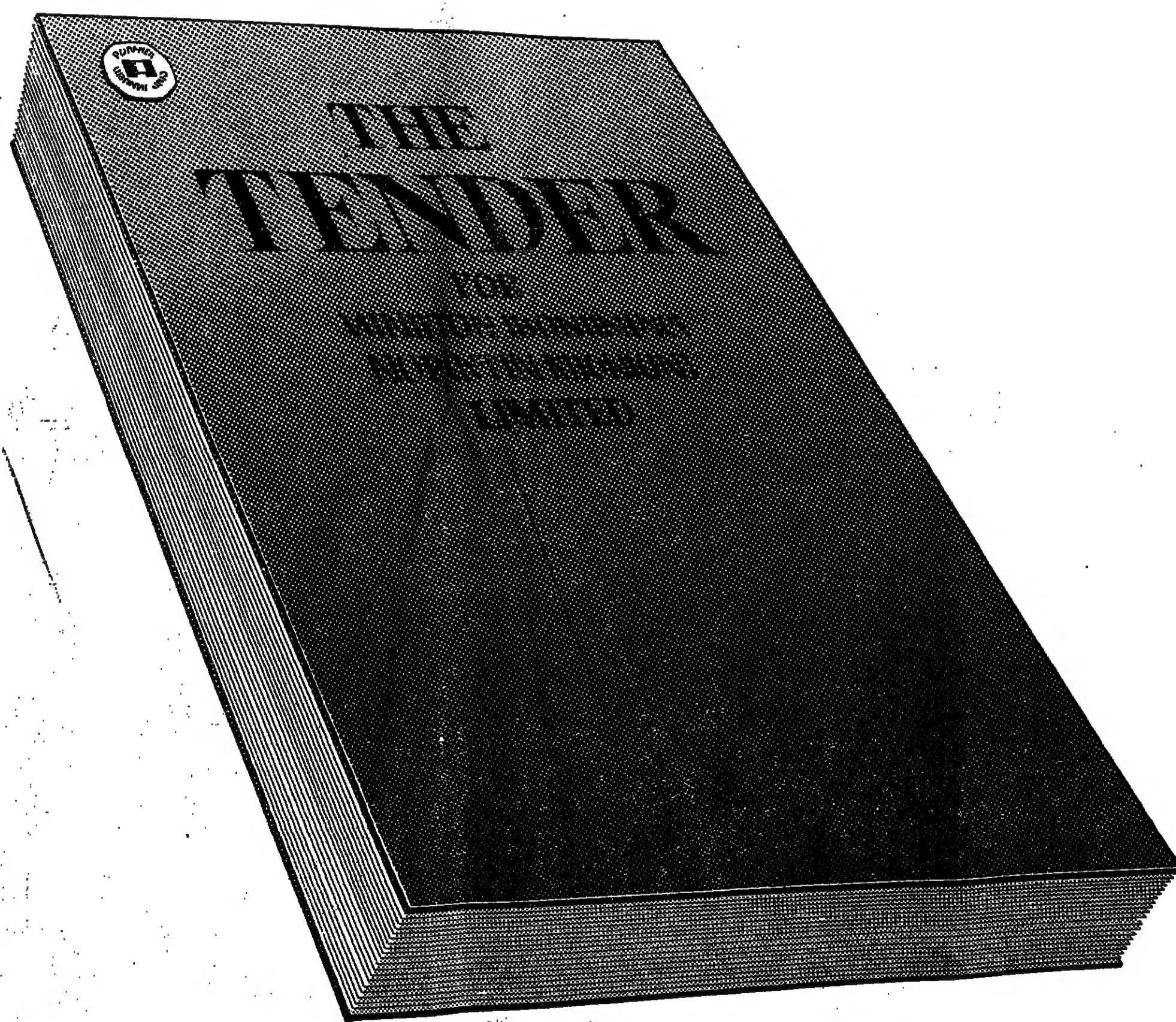
be prepared to settle—for the time being at any rate—what they can obtain on the West Bank and the Gaza Strip territory evacuated by Israel as part of a negotiated settlement.

Certainly, this issue, together with the very directly related one of the future leadership of the PLO, will dominate the meeting of the Palestine National Council scheduled to take place in Cairo towards the end of December. It will be the first time that the legislature of the national movement has met since June, 1974, when it elected the present 14-man executive committee. Shortly after, three members representing groups which defected to the "Rejection Front" became non-participants.

More recently Mr. Zubair Stobson, of the Damascus-sponsored Salwa group, which fought with the Syrian army in Lebanon, has inevitably been beyond the pale as far as Mr. Arafat and Al Fatah, the main body of the movement, are concerned. Piecing together any sort of unity will be difficult. Yet attempts to bring the fragmented movement together must inevitably centre around the renewed U.S. peace initiative, which must come sooner or later next year, and the prospect of Geneva.

Last time it met the PNC adopted a ten-point programme that has been the basis of an official policy which the Palestinians' diplomatic triumphs at the UN seemed to reinforce.

Now, after the Lebanese conflict and the approval of the essentially Syrian peace formula by nearly all the other Arab countries, the movement must decide whether it is prepared to settle for less—thus opening the way for a Middle East settlement.



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## Lebanon peace force advance

Arab troops moved into left and right-wing territory near Beirut, bracketing the capital to north and south as they headed for the coast, our Beirut correspondent writes.

Their aim is to roll back all factions to pre-war positions. April, 1975, to collect their heavy weapons and supervise public administration, including relations between the Lebanese Government and Palestinian guerrillas. Meetings between President Sarkis and right-wing leaders seem to have reduced the latter's opposition to the Arab incursion. Palestinian guerrillas have handed over their positions and withdrawn towards the Israeli frontier.

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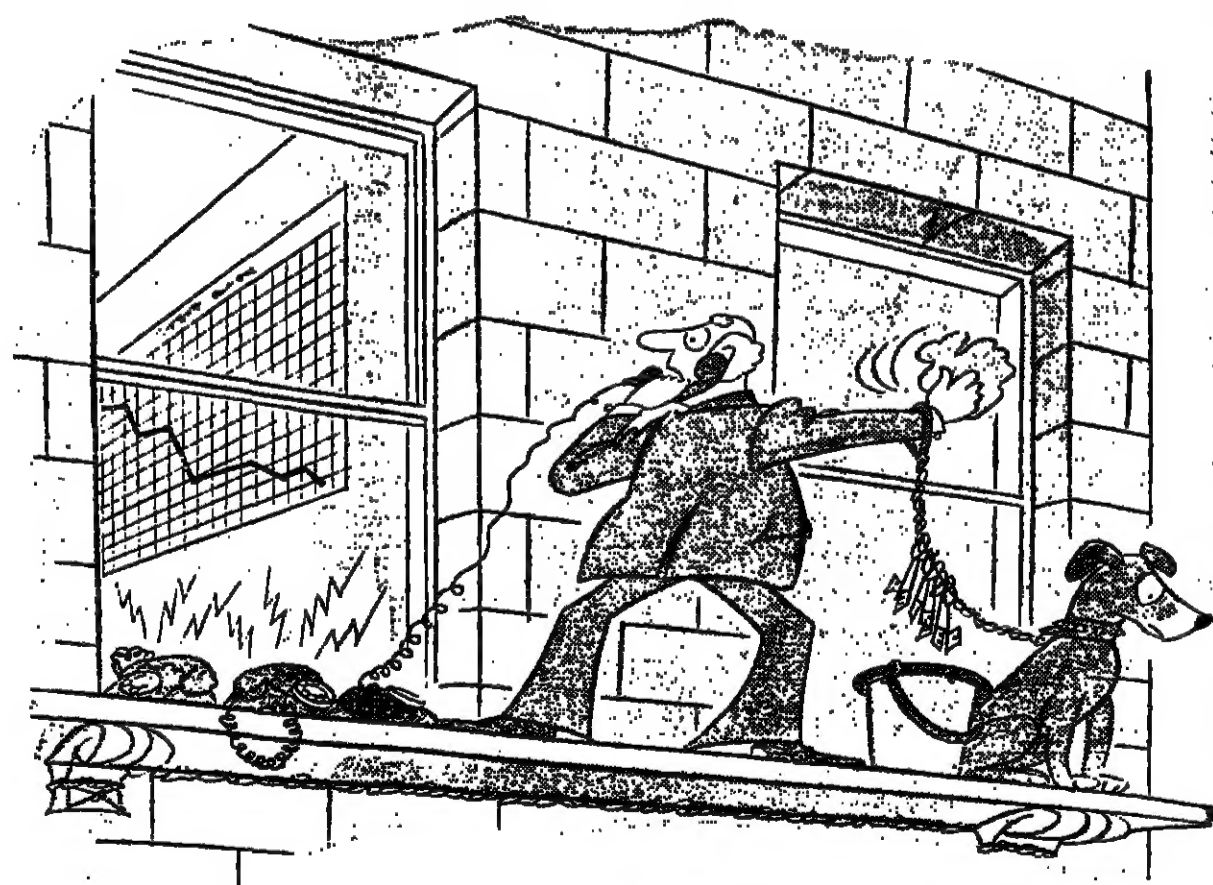
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## WORLD TRADE NEWS

### USSR says merchant fleet is commercial not political

BY JOHN WYLES, SHIPPING CORRESPONDENT

A FORTHRIGHT denial that the Soviet Union's fast-growing merchant fleet is being operated more for political than commercial purposes has been issued in New York by Mr. Boris Yunitsin, head of one of Russia's leading lines, the Baltic Shipping Company.

Mr. Yunitsin, was speaking at a shipping conference which, like many others this year, has prominently featured the debate over Russian shipping tactics. With Western governments becoming increasingly concerned about Soviet rate-cutting and the EEC discussing some form of action, Soviet spokesmen are now making great efforts to defend their shipping policies.

As far as Mr. Yunitsin was concerned, he believed it had become fashionable to blame the Russians for the difficulties

caused by the general trade recession. Dismissing accusations that Russia had mainly political reasons for building up its merchant fleet far in excess of the country's share of world trade, Mr. Yunitsin claimed that the 16 Soviet State shipping lines are required to cover all expenses and to make a profit.

This explanation is unlikely to satisfy many Western shipowners who have repeatedly pointed out that Soviet lines do not have to meet insurance costs nor bear the burden of capital debt and depreciation charges.

Mr. Yunitsin's company is marginally more acceptable to many Western owners because it is a conference member on some trades. But the Soviet shipping leader defended the "outsider" practices of other Russian lines saying that conference rates

structures were too rigid and tended to favour high cost specialised ships.

Soviet shipping practices were reviewed at the same conference by Mr. Kristian von Sydow of the Swedish Shipowners Association, who said that while European owners could offer commercially and technically superior services they could not compete with Russia's operational advantages of lower wage rates, freedom from obligations to pay for social benefits, insurance and depreciation charges and lower bunker costs.

"On this basis I calculate the Russian daily operation cost for a modern container vessel to be roughly 40 to 50 per cent, lower than any European one," concluded Mr. von Sydow.

### Insurance cover for Jebel Ali contractors

Financial Times Reporter

SEDGWICK FORBES, the international insurance brokers, has arranged insurance cover for one of the consortia involved in the construction of the 1,600 deep water port at Jebel Ali, Dubai.

The consortium involved comprises Dubai Transport Company (Private), Balfour Beatty Construction and the Dutch Stevedores group whose contract for the project is valued at £100m. The work covers the erection of 15 kilometres of breakwater and the construction of berths and wharves. The project, which is being undertaken for Dubai ruler, Sheikh Rashid Bin Sa' Al-Maktoum, is scheduled to take four years to complete.

The cover includes contracted all risks, workmen's compensation and employers' liability. One of it has been placed in the London market, with the remainder in Dubai.

On-site service will be provided by Sedgwick Forbes through their own Middle-East organisation which operates in partnership with local companies. The company has offices in Bahrain and Jeddah and one is due to open in Dubai in the new year.

Sedgwick Forbes sees cover for "jumbo" construction projects in the Middle East as one of the world's major growth areas. The insurance market and its offshoots are designed to win business and control the servicing of insurances "on the ground."

### Cross border leasing needs credit data

Financial Times Reporter

RELIABLE credit information is an essential requirement for cross-border leasing. Mr. Robert Munroe, chairman and managing director of Williams and Glynn Leasing, told a meeting in Munich.

Outlining the potential problems of future cross-border leasing operations, he said that might involve credit ratings and would certainly require harmonisation of accounting standards between countries.

Speaking at the annual conference of Leaseurope, Mr. Munroe said there was a keen interest in cross-border leasing and great potential for growth. However, it would be essential to find a means of establishing the lessor's title to the leased asset, perhaps by means of a statutory note in the lease documents, or a stencil fixed to the asset.

Lessors operating across borders must be able to offset exchange losses and long future exchange market. Export credit agencies, he said, would have to understand requirements of lessors.

### Texas visit

SENIOR bankers from Scotland and the City of London will leave the U.K. this week on a goodwill visit to Texas to strengthen the triangular relationship that have grown up between London, Scotland and Texas since the discovery of North Sea oil.

The visit is being sponsored by the Committee on Invisible Exports, the Houston Chamber of Commerce, and the British Overseas Trade Board.

### Japan prepares steel strategy

BY DOUGLAS RAMSEY

TOKYO, Nov. 10.

FIGURES released today by the Japanese Steel Exporters Association, showing Japanese steel exports rose 31.1 per cent to 15.9m. tons in first half fiscal 1978 from the 1977 period, will be tabled at talks between the EEC and Japan in Brussels on Friday.

Shipments to the U.S. rose 76 per cent, and those to Europe 112 per cent. Though deliveries to the European Economic Community, at 700,000 tons, were well below deliveries in the six months to September 1977, and though the EEC negotiators accept that Japanese steelmakers are sending less to the community, they are alarmed at the rapid increase in sales to surrounding European countries such as Spain. Exports to the rest of Europe, at 1.9m. tons, are nearly double the corresponding 1977 exports (0.9m. tons).

The EEC is seeking a Japanese agreement to control the exports of small steel producers not covered by the export restraint promises for 1978. The earlier agreement with Japan's top six steel producers is understood to limit their steel exports to the

EEC this year to around 1.2m. tons. Confidential figures supplied to the Financial Times indicate that the six companies are exporting much less: they sent only 687,000 tons in the first half, compared with 751,000 tons in 1977.

However, the limits on exports from big steel producers have generated a rush of exports by the smaller steel producers. Whereas from April to September 1977 these smaller producers accounted for 23.3 per cent of Japanese steel exports to the EEC, in the half just ended they took 39.5 per cent, of the total, an increase in tonnage shipments to the EEC of 28 per cent.

The largest of the secondary suppliers, Tokyo Steel, said today that it shipped 100,000 tons of steel shapes to the EEC between January and August, half the total export of that period. Japanese steel exports to Europe have fallen sharply and Tokyo Steel expects its exports to the EEC from October to December will not exceed 20,000 tons.

The lower level of exports to

the EEC contrast sharply with sales in the U.S., where federal authorities are investigating Japanese steel shipments. According to Japanese industry sources, steel exports to the U.S. in the six months to September rose 76 per cent over the 1976 period to 3,731,000 tons. The six major, while supplying only 68 per cent of that total (compared with 78 per cent in 1975), nevertheless increased their deliveries to the U.S. by \$88,000 tons (just over 50 per cent). U.S. investigators are believed to be inquiring whether this 30 per cent increase stems from the Japanese steel producers' voluntary agreement to limit exports to the EEC market.

If so, Washington could decide to limit imports from these companies on the grounds that a Japan-EEC "cartel" was damaging the American steel industry by switching supplies from Europe to the American market. Japanese companies are confident, however, that the doubling of supplies to European countries surrounding the EEC is proof enough that they are not diverting exports to the U.S. market.

### N. Atlantic losses alarm IATA

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SINGAPORE, Nov. 10.

GOVERNMENTS and airlines will have to co-operate in a rapid reorganisation of regulatory policy on the North Atlantic air route if it is to become profitable again, a special air transport problems investigator for the International Air Transport Association said.

Mr. Michael Dargan, former general manager of Aer Lingus, told the IATA meeting here airlines lost \$600m. on the North Atlantic route last year, bringing the total loss since 1972 to \$2.5bn.

This year's increase in traffic on the route will not reverse the trend — airlines will not make profits until costs, revenue yields and load factors are sound. The entire fares structure needs simplifying and governments should help by co-ordinating policies to remove conflicting requirements which force airlines into conflicting price structures in fares conferences, he said.

"Patching up the existing system with further compromises may buy time but it will not create profits," he added.

Mr. Dargan's views have found fertile ground at the IATA meeting, which has been directed mainly towards revising the world airline structure to meet rapidly changing conditions — rising costs, changing travel habits, increasing Government intervention in airline affairs and growing charter competition.

Most airline chiefs to whom I have spoken here this week recognise that a new era of civil aviation development is beginning in which the public's prime requirement will be high quality transport at the lowest possible cost.

"Almost every area of our operations is under critical review," said one leading scheduled airline chairman. "We know that if we do not pull ourselves up by the bootstraps and give the public what they want, government will increasingly be obliged to step in and do it for us by encouraging independent charter operators."

Consistent with this attitude to change, IATA itself is reorganising its structure and is creating a new post of part-time chairman of the all-powerful top policy making executive committee—expected to be named soon but likely to be Mr. Floyd Hall of Eastern Airlines. His

main task will be to act as liaison between IATA and Governments, especially the U.S. Government and its regulatory bodies such as the Federal Aviation Administration and the Civil Aeronautics Board, leaving the present IATA Director, General Mr. Rint Hammarskjöld, to run IATA instead of spending most of his time on diplomatic missions.

Mr. Hammarskjöld yesterday accused the U.S. Government of speaking with conflicting voices and making decisions without consulting IATA. AP-Dow Jones adds.

"A large burden of responsibility continues to rest with the U.S. Government which has traditionally exercised a leadership role in international air transport. In recent years, because of policy differences among government departments, its actions have had a disruptive effect on the international system," he said.

Conflict between the Civil Aeronautics Board (CAB) and the Administration should ease with President-elect Jimmy Carter in harness with a Democratic congress, he added.

### STC optical fibre factory gets orders

By Christopher Lorenz, Electronics Correspondent

SEVERAL export orders are already in the pipeline for Standard Telephones and Cables' new commercial factory for optical fibre and cable, which was opened yesterday.

STC says the plant at Harlow, near London, is Europe's first commercial factory working solely on the design, manufacture and marketing of these products.

Optical fibre cables use light instead of electricity to transmit information, using hair-thin conductors of glass-like silica fibre. STC sees "vast commercial potential" for optical fibres, and reports it has already received export inquiries.

Intense competition between optical fibre producers is already developing around the world. In the U.S. the Bell System has been extremely sensitive about STC's progress: the U.K. company's place as a subsidiary of ITT reinforces the challenge, since ITT is trying to enlarge its presence in the U.S. telecommunications market at Bell's expense.

Optical fibres will have a wider potential market than many of STC's existing telecommunications lines, for both civil and military customers, it may be suitable for aircraft, ships and manufacturing plants.

STC's main customer, the British Post Office, is considerably more cautious about optical fibres. It has ordered trial lengths of STC/Bell's as well as STC/ITT (ITT is also well advanced, and has sold to British Rail).

As with other new technologies, STC therefore will have to rely largely on other customers, including exports, to fill the new 4,000 square feet Harlow factory.

### Britain's Venezuelan hopes

BY HUGH O'SHAUGHNESSY

BRITAIN'S chances of winning contracts worth many hundreds of millions of pounds in the rail, steel and offshore oil sectors are being boosted during the forthcoming official visit to this country by Sr. Carlos Andrés Pérez, the Venezuelan President.

British officials have been encouraged by the agreements reached in the past few days by British Leyland for a feasibility study on a four-year project for the Venezuelan motor industry and a similar one by the London Transport Executive for the Caracas Metro.

During his visit to London from November 21 to 24, President Pérez will meet senior British industrialists and leading figures in the City to discuss ways of strengthening Anglo-Venezuelan co-operation.

He will visit Buckingham Palace, have long talks with Mr. Callaghan and will dine with the Lord Mayor at the Mansion House.

In Caracas, Britain and Venezuela are seen as having a common interest in that Venezuela expects to extract oil from its Orinoco tar sands at much the same price as Britain is extracting oil from the North Sea. Venezuela may eventually seek British co-operation in the building of offshore platforms.

The President's visit will give the British side an opportunity to stress to him the importance it puts on the industrial exhibition which the Department of Trade is helping to mount in Caracas in March.

Details, however, are not yet complete of the specifically political occasions which are to take place during the visit.

Venezuela, as one of the very few working parliamentary democracies in Latin America, and a country which has severed relations with the Uruguayan

regime and is often at odds with the Chilean junta, is keen to strengthen relations with the Social Democratic governments of Europe. President Pérez's own party, Acción Democrática, may well decide to become a full member of the Socialist International which groups European and other Socialist Democratic movements. Acción Democrática has now an observer in the Socialist International, has an institutional link with the British Labour Party. The Venezuelan leader will be at pains to dissociate himself from the dictatorial governments of the extreme right in power in much of Latin America.

The visit, being an official rather than a state occasion will, at the President's wish, emphasise economic and political topics rather than ceremony.

British officials stress that the President is unlikely to arrive bearing any gift-wrapped packages for British industry but say that his visit should help British companies' attempts to obtain rail contracts, notably for the Caracas Metro, for the big steelworks planned for the state of Zulia—for which Davy International is competing as part of a European consortium—and for the offshore oil industry.

With ample supplies of oil on land and in the shallow waters of the Gulf of Maracaibo, Venezuela has not yet made deep off-shore drillings. Nevertheless, the Venezuelan party, which is expected to include the Minister of Mines and Hydrocarbons, Sr. Valentín Hernández, will talk about offshore prospects at the Department of Energy, continuing exchanges that took place earlier this year in Caracas between Dr. John A. Dickson, an oil minister, and officials of the Offshore Supply Office in Glasgow.

The common commitment of Venezuela and Britain to democracy is likely to be underlined during the Venezuelan leader's stay. Anglo-Venezuelan trade has been very buoyant. Britain's sales to Venezuela last year rose 52 per cent to \$92.6m. Britain's imports went up 23 per cent to £165.4m.

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lion (US \$ 38.3 billion).

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Name	Balance Sheet Total <sup>1)</sup>	Number of Offices	Share in LCB <sup>2)</sup>
Deutsche Genossenschaftsbank Taunusstr. 5, 6000 Frankfurt/Main Germany - Tel.: 250.31	£ 26,751.18 '84 as of Dec. 31, 1975	19,200	50.24
LCB Director: Dr. F. Viehöl, H. Götthardt, Dr. K.-H. Schneider, G. Dietrich, F. Strauß			
Andelsbanken A/S Dannebank International Division 37, Vester Farimagsgade 1804 Copenhagen V Denmark - Tel.: 14.33.82	£ 735,188,000 as of Dec. 31, 1975	237	5.02
LCB Director: M. Lamm-Johansen			
Banca Nazionale dell'Agricoltura Via Salaria, 231, Rome, Italy - Tel.: 8.59.8	£ 4,295,368,000 as of Dec. 31, 1975	142	2.51
LCB Director: Dr. U. Quanz			
Banque Fédérale du Crédit Mutuel 34, rue du Wacken 6700 Strasbourg-Cedex, France Tel.: 32.48.41	£ 1,363,134,650 as of Dec. 31, 1975	1,100	2.51
LCB Director: R. Goeppeler			
Caisse Nationale de Crédit Agricole 91-93, boulevard Pasteur 75015 Paris, France Tel.: 3.35.512	£ 25,602,501,000 as of Dec. 31, 1975	9,000	7.34
LCB Director: A. Jeanne-Gaigani			
Centrale Rabobank Benedixlaan 33, Utrecht The Netherlands - Tel.: 36.91.11	£ 847,000,100 as of Dec. 31, 1975	2,145	10.05
LCB Director: Dr. G. J. M. Vlak			
CERA - Centrale Raiffeisen Minderbroedersstraat 8 2000 Leuven, Belgium - Tel.: 27.79.31	£ 972,480,499 as of Dec. 31, 1975	1,000	2.71
Föreningsbankerna Bank Grev Thuregatan 30 102 40 Stockholm, Sweden Tel.: 22.41.30	£ 1,265,470,000 as of Dec. 31, 1975	750	2.51
LCB Director: J. Johnelius			
Genossenschaftliche Zentralbank AG Herrngasse 1, 1011 Vienna, Austria - Tel.: 63.26.36	£ 428,500,000 as of Dec. 31, 1975	1,982	10.05
LCB Director: Dr. H. Klaus			
Osuuspankki Keskuspankki Oy Arkadiankatu 2, 00100 Helsinki, Finland - Tel.: 44.00.41	£ 1,886,641,915 as of Dec. 31, 1975	1,195	2.51
LCB Director: S. S. Kontinen			
S.G. Warburg & Co. Ltd. 30 Gresham Street, London EC2A 3DF, Great Britain Tel.: 600.45.55	£ 499,725,000 as of March 31, 1975	1	4.55
LCB Director: T. H. Fehchik			

<sup>1)</sup> These totals include the integrated member institutions.

## One of Holland's Major Financial Institutions

### Centrale Rabobank accounts for more than 40% of Dutch Banking Deposits

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Centrale Rabobank has interests in insurance and leasing and is rapidly expanding its activities in the field of international finance, export and import financing and foreign exchange.

In the area of underwriting the bank provides advice and counsel to prospective clients, both in the Netherlands and abroad, on the size, listing and timing of domestic as well as Eurobond issues. It acts as lead-manager, co-manager and/or underwriter of loans raised both in the local and Eurocurrency markets.

The Eurocurrency markets have again expanded during the past year but with shorter maturities than in the previous period of expansion.

The role of Centrale Rabobank as one of the managers

and straight bonds, notes and convertible bonds. Centrale Rabobank participated both on a co-effort basis and on a sole basis in the bank's policy of gradual expansion in this field. Firm syndications are agreed upon only for the highest quality of borrowers.

The bank endeavours to expand its range both geographically and in terms of the diversity of services provided and it expects that further underwriting operations will be undertaken during the coming year.

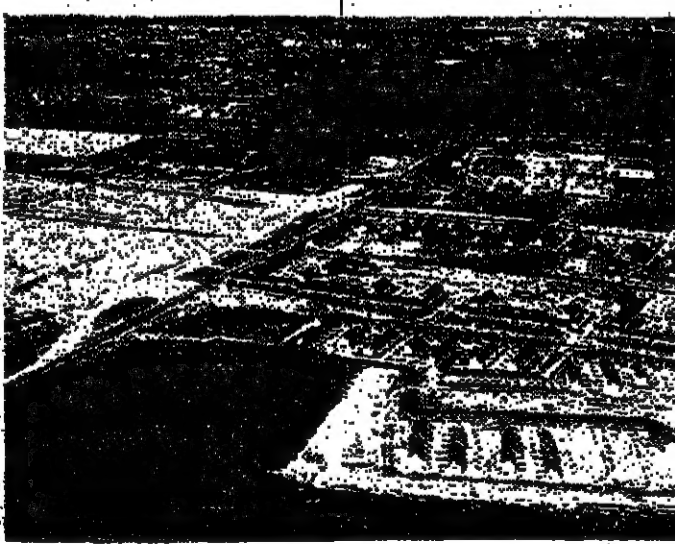
In 1975, Centrale Rabobank enlarged its interest in the real estate sector by providing advance financing for a sizeable housebuilding project at Maarsse. The entire project will be completed around 1981 and comprises 2,000 to 10,000 dwellings in all, as well as 20,000 and 17,000 sq. metres for shops and industrial enterprises respectively. 1,350 dwellings have already been completed during the first stage and another 2,500 planned for the second stage are now under construction.

Also in 1975 six fruit and vegetable auction societies merged in the province of South-Holland to create a new system of auction halls with a trade centre at Barendrecht. The entire area covers 36 hectares, of which approximately 11 hectares are taken up by buildings.

Total sales per annum by the auction are around 120 million guilders. The greater part of the finance required was provided by Centrale Rabobank.

The Annual General Meeting of the Rabobank organization appointed Mr. P. J. Lardinois Chairman of the Executive Board of Centrale Rabobank with effect from January 1st, 1977. In that capacity Mr. Lardinois will succeed Dr. A. J. Verhage, who will retire at the end of December 1978.

In May 1976, Mr. Lardinois was appointed general manager of the Nederlandse Landbouwkredietbank (NLB) when he was elected to the Second Chamber of the House of Representatives. He was at the same time a member of the European Parliament from October 1976. During this period he also acted as the head of several agricultural organizations. He resigned these functions when he was appointed Minister of Agriculture and Fisheries on April 1st, 1977. On January 2nd, 1977, Mr. Lardinois was appointed to the Commission of the European Communities, especially charged with agricultural affairs.



Large housebuilding project at Maarsse, Holland

## OKO - Finland's Third Largest Commercial Bank

Helsinki, July 1978 (CBGMBH). — Osuuspankki Keskuspankki Oy (abbr. OKO) is the central bank of the cooperative bank organization covering the whole of Finland. The number of cooperative banks throughout Finland totalled 284 at the end of 1975 and these had 811 regional and branch offices bringing the total number of cooperative bank offices to 1,185.

More than a fifth of public deposits were put in cooperative banks. The number of different types of deposit and current accounts held in cooperative banks was 3,052,149 on December 31st, 1975. The number of credits granted by cooperative banks was 744,331 at the end of 1975. The membership of the cooperative banks at the end of 1975 was about 276,100. Thus Osuuspankki Keskuspankki Oy as the central bank of such a large organization plays an important part in channelling the flow of funds.

Increase in deposits from the public 28.6% in 1975

Total deposits by the public in cooperative banks amounted to 8,072 million Finnish marks at the end of 1975, an increase of 1,378.4 million Finnish marks or 20.6% over the previous year. Time deposits increased by 1,235.8 million Finnish marks, 18.5%, totalling 7,537.5 million.

Finmarks at the end of the year. Current account deposits totalled 534.5 million Finnish marks, a 38.5% growth compared with the previous year.

Increase in advances to the public 29.8% in 1975

The sum of credits granted by cooperative banks to the public (including loans arranged from government funds) amounted to 7,788.5 million Finnish marks at the end of the year, a growth of 341.6 million Finnish marks, 20.8% against 1974. The major groups are individuals and the agricultural and forestry sector. Both these groups account for about one third of the total lending of the cooperative bank organization.

Cooperative bank organization's share 29.4% of the total deposits by the public in all financial institutions

During the last decade the amount of deposits by the public increased faster in the cooperative bank organization than in all financial institutions in general. Thanks to this OKO's share in total deposits accepted from the public by all financial institutions increased from 19.5% in 1965 to 20.4% in 1975. The market share of the cooperative bank organization in time deposits by the public in all financial institutions was 22.8% at the end of the year.

OKO's balance sheet as at December 31st, 1975 totals 3,290 million Finnish marks

Osuuspankki Keskuspankki Oy (OKO) is the third largest commercial bank in Finland. At the end of 1975, the balance sheet total of OKO was 3,172.8 million Finnish marks. In 1975, deposits accepted by OKO from the public grew by 35.4 million Finnish marks totalling 143.9 million Finnish marks at the end of the year. The so-called liquidity reserve of the cooperative banks in OKO increased by 218.3 million Finnish marks. Cooperative banks' other deposits and current accounts in OKO increased by 48.0 million Finnish marks. Total of cooperative bank deposits in OKO amounted to 1,173.6 million Finnish marks. At the end of 1975, the total of credits granted by OKO and the share and bond investments made by it was 431.9 million Finnish marks more than the year

before. The lending (loans from government funds excluded) by OKO to cooperative banks increased by 120.7 million Finnish marks and the credits to other clients by 233.1 million Finnish marks respectively totalling 1,614.8 million Finnish marks at the end of the year. Credits arranged from government funds to cooperative banks through the intermediary of OKO totalled 788.6 million Finnish marks at the



Mink farming is big business in Finland

year-end. The growth of the total lending was 27.2%. In line with its operating responsibilities the Central Union of the cooperative banks working side by side with Osuuspankki Keskuspankki Oy gave advice to cooperative banks for example on legal matters and corporate research. Special attention was paid to the planning of personnel policy, development of business, management training and professional training of officials. Centralized support was given to systematic long range planning of the cooperative banks. The marketing activity covering the whole cooperative bank organization also achieved satisfactory results.

Change of the Chairman of the Board of Administration

As laid down in OKO's articles of association, Mr. Matti Miettinen, Provincial Governor, Chairman of OKO's Board of Administration, resigned his

duties having reached retirement age. The new Chairman of the Board of Administration appointed on May 11th, 1975, was Mr. Esa Timonen, Provincial Governor.

Mr. Matti Latola, member of OKO's Board of Management responsible for OKO's foreign affairs, resigned his duties in OKO's management after his election as Managing Director of Osuuspankki Keskuspankki Oy (Central Union of the Cooperative Banks). The foreign department is now the responsibility of Mr. Seppo Kontinen, President.

Big financing projects

OKO acted as co-manager in the Metsä-Botnia financing operation which is one of the

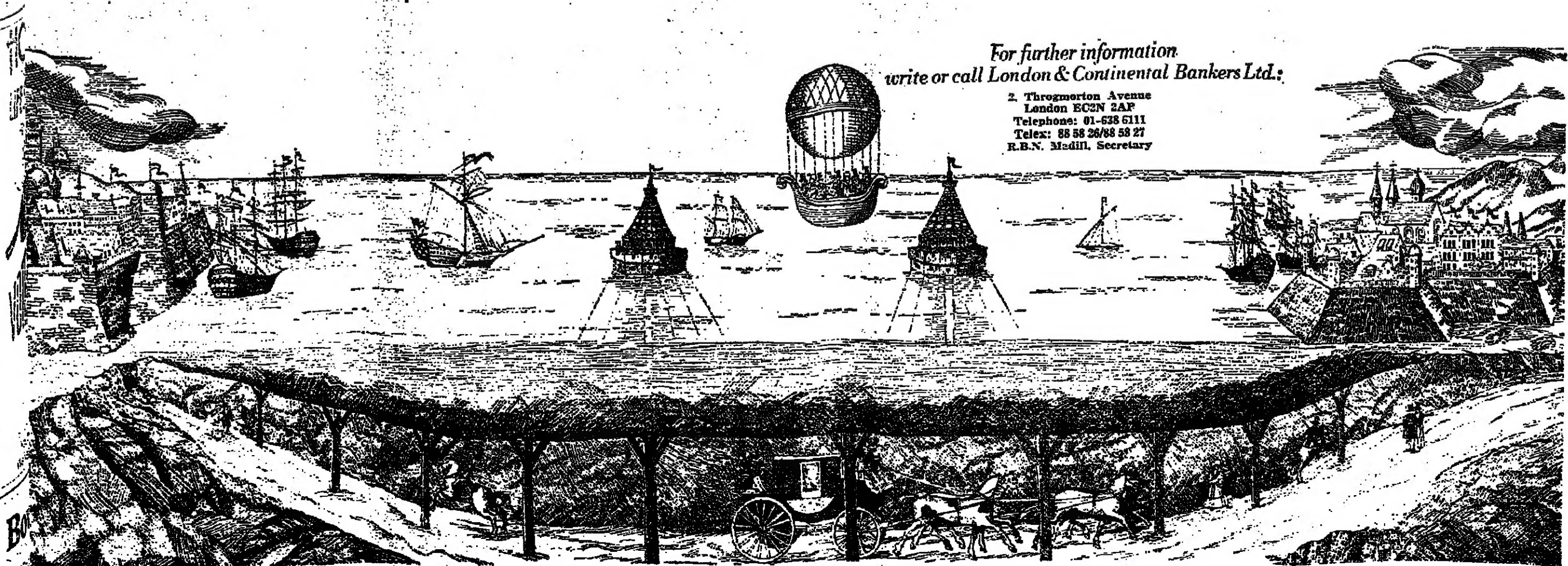
largest investments in the private sector in Finland at present.

For financing for Messrs. Turku-Tuhtajat Oy — Finnish Fur Sales Company Ltd. OKO has taken care of the whole financing requirements, both domestic and foreign. This company is the world's largest exporter of fur.

OKO is the main financier of the Finnish dairy industry. Investment activity in this industry expanded further and focused on the production of powdered milk. Finland is an internationally renowned exporter of cheese, butter and powdered milk. Total exports of cheese, butter and powdered milk surpassed 50 million kilos in 1975.

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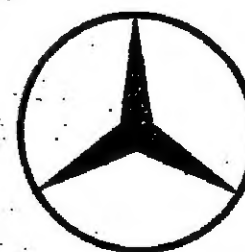
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السيارة



## HOME NEWS

## Minister refutes SNP oil for a century policy

BY RAY DAFTER, ENERGY CORRESPONDENT

GOVERNMENT Minister has a policy, said Dr. Dickson Mabon, Minister of State for Energy, that would frighten away the oil industry. Dr. Mabon's statement will be regarded as significant by offshore operators who are still anxious to hear a categorical statement on the Government's future depletion policies.

In a letter to Mr. Gordon Wilson, the Scottish National MP for Dundee East, Dr. Mabon said that if oil companies were forced to take out production of offshore fields for 100 years there would be an immediate loss of many thousands of jobs.

"The oil companies would not even cover their capital and operating costs on existing fields, so that there would be no profits to tax," Dr. Mabon wrote. "Future fields would not be developed at all unless the SNP subsidised foreign oil companies to develop them. There would be no further offshore related orders from the oil companies for years. The offshore industry would grind to a halt and Scottish unemployment would rise."

An SNP pamphlet maintains that with self-government Scotland's oil "would be worth at least £1bn. a year for a century. If London control continues, Scotland's oil will last only 20 to 30 years."

The pamphlet also contends that the total costs of developing the oil works out at less than 2p per gallon, another figure refuted by Dr. Mabon. He maintained that the true figure was closer to three or four times that amount.

But last night the SNP said that the newspaper concerned had admitted that it had been hoaxed. The letter was not written by the councillor named. The SNP claimed that the Labour magazine was a "penny dreadful" and the party had been panicked into producing it.

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## Worries on energy saving policy

INDUSTRY is becoming increasingly concerned about the Government's attitude towards energy conservation (writes Ray Dafter).

A report prepared by the Industry Group of the Advisory Council on Energy Conservation, published yesterday by the Department of Energy, says: "Industrialists appear to be beginning to question whether energy conservation is any longer an important part of the Government's policy."

Discussions with a wide range of organisations, including 14 major companies which use half industry's energy consumption, showed an inadequate awareness of the need for a continuing programme of energy conservation.

The Industry Group, therefore, recommended that increased attention should be paid to industrial energy conservation both now and in the future.

\* Advisory Council on Energy Conservation, Paper Four: Industry Group Report Session, 1975-76, published in the Department of Energy's special paper series as Energy Paper No. 18; SO, £1.20.

## MONOPOLIES REPORT ON FROZEN FOODS

## Birds Eye almost cleared

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE UNILEVER frozen food subsidiary Birds Eye has been given a virtually clean bill of health by the Monopolies Commission. The only significant recommendation in the Commission's report on frozen foodstuffs published yesterday, was that Birds Eye should abandon its practice of giving discounts to shopkeepers who give the company's products space in their freezer cabinets.

But even this recommendation was conditional on the other major frozen food suppliers—Findus and Imperial Foods—taking similar action.

The Commission was also mildly critical about certain aspects of Birds Eye's other marketing practices, such as the giving of retrospective discounts geared to specific sales targets and the lending of freezer cabinets for exclusive stocking of Birds Eye's products, but did not see fit to make any definite proposals about them.

The Commission found a monopoly existed in the market for frozen foodstuffs through its Birds Eye subsidiary, but at least one-quarter of the market, Birds Eye argued, was supplied by other companies. The Commission concluded, however, that it would be unfair to prevent Birds Eye giving such discounts if its major competitors continued to do so. For this reason it recommended that Birds Eye should be required to abandon its practice of giving retrospective discounts only if the other major companies followed suit.

## Unfair

Such a practice, the Commission concluded, was against the public interest.

The Commission also noted that the discounts were not directly related to cost savings and although they encouraged larger orders they did not, in its view, provide adequate incentive to invest in the additional cold storage needed for larger deliveries, and so place larger and less frequent orders.

The Commission decided, however, that it would be unfair to prevent Birds Eye giving such discounts if its major competitors continued to do so. For this reason it recommended that Birds Eye should be required to abandon its practice of giving retrospective discounts only if the other major companies followed suit.

Birds Eye admitted that the difference in discounts given to certain suppliers bore little relation to the different costs involved in supplying them. But it intended to introduce a graduated scale of discounts related to size of orders.

The Commission concluded that this new discount structure would go some way towards meeting its dissatisfaction with the weak link between Birds Eye's discounts and cost savings involved in larger deliveries.

The Commission did not come to any conclusions on the impact of these discount arrangements on small retailers but concluded that, given the bargaining strength of the major retail chains and competition with other processors of frozen foods, it was not necessary to recommend any further steps to deal with the large discounts obtained by big retailers.

It hoped that the other major suppliers would find it possible to adopt similar discount policies to those proposed by Birds Eye. Retrospective discounts geared to specific sales targets were also open to objection, the Commission said, because they encouraged retailers to concentrate purchases on a single supplier, and were not directly related to cost savings.

It concluded, however, that because they were "insignificant" in relation to total sales and because Birds Eye intended to phase them out, there was no case for interfering with them. This would seem to mean technically that Birds Eye would be free to re-introduce such discount deals if it wanted to, despite the Commission's criticism.

The report also found that the lending of freezer cabinets for exclusive stocking of Birds Eye products was restricting competition but only to a trivial degree because of the very small number involved. It would have recommended prohibition of any further loans had Birds Eye not said that its policy was not to make them.

## Justified

Referring to the growing home freezer market, the Commission said that it would be a matter of serious concern if Birds Eye were to attempt to build up business in this field by running its County Fair operation at a significant loss for an extended period of time.

The County Fair business was, however, relatively new and small and Birds Eye expected it to break even in the near future. For this reason the Commission found nothing against the public interest in the pricing policy of County Fair.

Frozen Foodstuffs. A Report on the Supply in the U.K. of Frozen Foodstuffs for human consumption. House of Commons Paper 674, SO: £1.50.

## Nationalists under Labour Party attack

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE LABOUR PARTY yesterday used the Scottish National Party of greed, arrogance, subversion and lies.

It came in a new monthly magazine called Attack intended to provide party workers with ammunition for use against the Nationalists. It exhorts readers to send in items about SNP activities.

Speaking in Glasgow Mr. George Robertson, vice-chairman of the Labour Party in Scotland, said that the magazine was the start of a campaign against the Nationalist Party.

It is certainly the most outspoken attack on the SNP so far, but it remains to be seen whether Labour can sustain it.

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## New guide to official statistics out to-day

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE NEW 400-page guide to official statistics is published this morning in what Sir Claus Moser, Secretary of the Government Statistical Service, describes as "an ambitious attempt to make fastening a whole lot easier."

The new reference book, "The Central Statistical Service: A Guide to the Statistics of the United Kingdom," has been several years in the making. It is intended to bring together several years of collaboration with other government departments and to replace the former Commons Estimates Committee's guide, which was a slim 100-page booklet.

The aim is to provide a detailed guide to statistics available from official and non-official publications, with around 2,500 titles identified. The initial print will be 5,000. It is intended to bring out in early 1978.

In a foreword to the guide, Sir Claus says: "A widening area of government concern and involvement, a greater demand for good management information, together with the increasing complexity of all aspects of our society and a much faster pace of change, have all led to a tremendous growth in the range and volume of official statistics. Consequently, this publication is far more ambitious than anything previously attempted."

A wide range of subjects is covered in the guide, including statistics on climate, religion, industry and the public services as well as the economy. On tourism, for example, the guide covers 26 regular sources and 10 occasional ones, including a publication listing bed-space occupancy rates in Welsh hotels and the impact of tourism on the balance of payments.

"The Guide to Official Statistics," SO, £7.50.

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## Lloyds Bank





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## TRANSPORT

### Controlling traffic in Hong Kong

FIRST British-built area traffic control equipment package for South East Asia has been shipped to Hong Kong by GEC-Elliott Traffic Automation of Borehamwood after successful factory acceptance tests.

The city has a particular problem in that vehicle population has risen to 180,000 on 700 miles of road whereas 15 years ago there were 40,000 on 500 miles of road. The latest figures also include 6,000 buses, trams and public mini-buses.

Initially, the scheme will cover 24 signalled intersections in an area of slightly over 3 square kilometres, covering the main commercial centre and controlled by two GEC 4080 machines.

Method of control is signal plan selection which covers the choice of any one of 20 traffic plans by time of day according to a timetable which allows up to 56 changes of traffic plans per seven-day week.

These traffic plans are generated off-line using the Road Research Laboratory's Transy programme.

Any plan can be selected by the operator to suit abnormal conditions and one important facility is ability for the operator to choose a "green wave" mode so that fire appliances can reach the site of a fire without being hampered by red lights. Such emergency calls on the system are entered at the fire stations by means of special push-buttons which allow the particular station to tell the computer where the fire is. It evaluates the request and then sets the signals for the appropriate green wave.

What the exact savings to Hong Kong will be are not yet known. Westinghouse's actual estimate is to have improved journey times by some 9 per cent, with a consequent saving in fuel consumed, wear and tear

etc., calculated by RRL at £24m. in a year. The smaller Glasgow scheme has returned a figure of 12 per cent improvement with annual savings of £4m.

The Hong Kong scheme is expected to bring a 15 per cent improvement and the saving could be several times that experienced in Glasgow.

The company is at Elstree Way, Borehamwood, Herts WD6 1RX. 01-853 2030.

## HANDLING

### Weigher can fit in a small space

LATEST belt weigher from Avery Parsons of Dewsbury is the Type 9531, which indicates feed rate and registers total weight of material carried by a belt conveyor. Instantaneous belt load and belt speed signals are combined to produce a true feed rate output which is integrated against time to record total weight.

The weigher is compact and is easily installed between carrying and return belts without the need for alterations to the conveyor frame or a special weigh idler. Rigid construction means that pivot points are eliminated, reducing maintenance and increasing durability and the rods ensure stability.

Errors due to eccentric loading or badly tracked belts are eliminated by direct loading on to two compression load cells, hence preventing misalignment. The equipment is extremely robust and will work in adverse conditions. Since surface areas for dust build-up are negligible, long term zero stability is

## MATERIALS

### Aluminium soldering advance

A PROBLEM throughout industry, but particularly the electronics and electrical industry, has been the fact that under normal workshop conditions aluminium cannot be soldered due to the rapid formation of the oxide on a cleaned surface.

This appears to have been changed by a development announced by Harwell which, it is claimed, enables the metal to be soldered as easily as copper.

The system, sputters nickel in vacuum under conditions which ensure that the atoms dislodged from the nickel cathode chemically bind with the 30 angstrom aluminium oxide layer on the specimen forming the anode. The result is an evenly deposited coating of nickel about 500 angstroms thick, the strength of which is unaffected by soldering temperatures or the passage of time.

Most important application would be to aluminium wire, rendering this cheaper alternative to copper easily solderable. Cost added to the wire by nickel coating would, states Harwell, be small, but as yet no costings

ensured and weatherproof construction makes the equipment suitable for outdoor installation.

A three position test switch permits the load cell and tachogenerator outputs to be indicated and checked on the panel meter normally used for feed rate indication. The instrumentation is contained in a weather-proof case suitable for wall mounting, and plug-in solid state integrated circuits are used throughout for reliability.

Avery Parsons, POB5, Scout Hill, Dewsbury, West Yorks, WF13 3RF.

IN THE Swedish engineering group, Kockums, many repetitive lifting jobs have been simplified and made easy with the development by the company of a mechanical lifting aid.

Called the Muscle, it can lift up to 500 lb and place it accurately almost anywhere within a 300 feet diameter circle. It consists of a steel pedestal carrying a turntable fitted with a double-jointed arm. The arm carries a "wrist" capable of 360 deg. movement, to which can be fitted various grippers, and a range of pneumatic or electric tools.

Lift power is supplied by a 1 hp DC motor which drives pantograph levers through a rack and pinion. The motor is thyristor controlled from a two grip at the "wrist" providing an infinitely variable speed of lift or lower to a maximum of 18in/sec. With the control in neutral, a brake is automatically applied, so the load can remain suspended in any position.

All other movements of the arm carried out by the operator, but as the arm is counterbalanced, the company says the load can be moved in any direction in an almost weightless state. To speed movements over known distances, limit stops can be pre-set.

The Muscle, which costs £4,500, is marketed in the UK by Kockums Industries, Boy's Valley Industrial Estate, Maidenhead, Berks., SL6 4EH (0628 39944).

DESIGNED by Adler and offered in the UK by Office and Electronic Machines is a tiny calculator thought to be the first in the world driven by solar power. And that is not as far-fetched as it seems, since the solar cells with which it is equipped will also pick up energy from any light source including ordinary electric bulbs.

So the "Solar-1980" needs no ordinary batteries or recharging units or adaptors. It has three small storage cells to which the power derived from the solar units is constantly fed while the unit is in use or lying idle on a desk.

The solar cells surround the display and cover the entire upper part of the calculator. The designers believe users will get 10,000 hours of calculations out of the unit

which is based on an eight-digit liquid crystal display, with floating decimal point, automatic percentage and square root as well as storage of positive and negative inputs.

If anyone should want to try it, the unit will operate ten hours non-stop and a full recharge would then mean 21 hours exposure to sunlight or five hours to electric light at normal office levels. In practice, though, as the cells are always recharging, length of time the unit can be used is unlimited.

Dimensions of this unit are 3mm thick by 75mm wide by 125mm high. The weight is about three ounces and it is truly a breast-pocket calculator.

Office and Electronic Machines, 107, Fleet Street, London, E.C.4. 01-583 5183.

grammes can be measured on any angle of the slide, to an accuracy of  $\pm 2$  per cent. When variations of yarn tensions are caused by sudden yarn speed changes, it is claimed the tensiometer will record tension changes without loss of accuracy.

As an evaluation tool, the unit can be used to measure the tension of a running threadline, from one position to another. The sensor head can be detached and fixed in position when prolonged studies of threadline tension are required.

It can also be used to set-up friction-twisting machines during commissioning and for random spot checks in quality control.

If required, the unit will transmit tension readings to a printed data output and/or a graph recorder. The unit requires a mains supply, but a model with a re-chargeable battery will shortly be available.

A version capable of measuring tension in excess of 1,000 grammes is also being developed. Details from FMK Manufacturing (0625 29433).

Ing. Park Green, Macclesfield.

## SOFTWARE

### Working in networks

GENERAL RELEASE has been made by IBM of a series of licensed programs which will allow one or more computers and an unspecified number of terminal units to operate in a single network, giving users at one computer a considerable amount of freedom to call in the next machine in line.

Details from Sandvik U.K., Manor Way, Halesowen, West Midlands B62 9QZ (021-350 4900).

To a large extent, the new programs will absorb companies seeking to go for the use of a computer supporting many types of terminals, or computers working with each other and families of terminals, from writing the higher-level software which will enable the network to operate as an entity.

In particular, the release will make access to data bases at one site easier to achieve from a computer at another site than has been the case so far.

More from IBM on 01-835 8600.

AT ITS customer training centre in Halesowen, the Coromant cutting tools division of Sandvik U.K. has installed a £70,000 advanced deep drilling machine, the only one of its kind in this country.

Built by Gildmeister and Knoll, West Germany, to Sandvik's own specification, it can carry out gun drilling, ejector drilling and BTA drilling (trepanning).

Sandvik says it has made the investment as part of a campaign emphasising the need for British industry to review drilling methods. In the majority of plants, traditional twist drills are still used in application where the latest systems could produce far higher metal removal rates.

The new machine (two have been ordered for the company's Swedish factory) will be used to show training course participants how the Coromant range of elec-

tor drills, T Max solid drill heads, counterboring heads and honing heads can raise output by up to 500 per cent.

Diameter of holes drilled will be up to 120mm with depths to 1,000mm. There is an infinitely variable speed range between 240 and 2,500 rpm, and a feed rate from 20 to 420 mm/min.

Although primarily intended for customer training (about 80 per cent utilisation), the new machine will also be used for testing new tools, and the company is interested in inquiries from customers wishing to test drill their own workpieces.

Details from Sandvik U.K., Manor Way, Halesowen, West Midlands B62 9QZ (021-350 4900).

HECKERT, now a member of WNW, the German Democratic Republic's machine tool group, has introduced a range of three numerically controlled bed-type milling machines.

Modular in concept, the machines are basically similar in construction—one has a horizontal spindle, another a vertical spindle, and a third a six-station turret head. They are designed primarily for milling and boring and are not "NC drills".

Tables are 800 by 1,000 mm, longitudinal travel 800 mm, and cross travel 400 mm. Maximum workpiece load is 700 kg. Longitudinal, cross and vertical feed rates are infinitely variable from 20 to 2,000 mm/min, and rapid traverse is up to eight metres/min. in all axes.

The spindle motor is 23.5 hp and spindle speeds range from 31.5 to 3,150 rpm. On the six-station turret machine a 90 deg. indexing table enables heavy milling and boring operations to be carried out on a four-sided component.

The control system is an AEG 431, but other systems and packages can be applied. The machines are marketed in the U.K. by William Watts, PO Box 27, Lenton Industrial Estate, Abbeyfield Road, Nottingham NG7 2TE (0602 861331).

## AUTOMATION

### Precise control of stepping

TRANSLATION of digital information into completely reliable and accurate mechanical movement remains a problem in numerical control of machinery, particularly with the need for minimum setting time, and because of overshoot and hunting.

Problems are minimised, it is claimed, by the DMC digital indexer put on the market by Unimate Engineers and suitable for use with the company's Sigma stepping motors, although it can be interfaced with a wide range of other stepping motor drives.

DMC-10 provides both acceleration and deceleration ramps that are adjustable, digital pre-setting of the stepping speeds and manual or remote data input of the number of steps a motor is to take.

Manually any speed can be set on edge-operated digital switches with the speed quartz crystal controlled and stable within 0.2 per cent. Remotely the unit can be operated from a computer or multiplexed BCD. More from 122 Granville Road, London N.W.2. (01-455 0012).

WHERE accurate measurement of the tension of a threadline is essential in textile yarn processing, a single position portable tensiometer marketed by FMK Manufacturing can be used.

Called the TenScan, it has been developed for use on friction-twist draw-texturing machines, processing polyester and nylon yarns at speeds up to 1000 metres/min.

Yarn tensions from 10 to 100 arduous, high temperature

desert conditions, continuously, and are equipped with auxiliary units to guard against equipment breakdowns or power failures.

The pumping equipment will form a vital part of the Aramco seawater supply project in Saudi Arabia, expected to be the largest in the world for the injection of treated water into an oilfield.

This is a feather in the cap for a company with only 55 staff. Further from Unit Automation at Biddwell Lane, Tenterden.

WHERE A large number of programmable read-only memories (PROMs) have a program stored in a production base, Data I/O U.K. can offer a production sequencer for use with the model 3 and 5 programming machines.

It provides the hardware for fast fail-safe operation with a visual display of the process and errors. If a PROM is improperly inserted into the programming socket, or if there is an open circuit pin, the sequencer resets the programmer, displays the cause of the malfunction and prevents the machine from physically programming the device. No damage can occur to the device.

Operation with the sequencer is initiated by a single button. The sequencer then checks for continuity between the IC socket and the PROM. If this test is failed, the sequencer initiates the normal blank check, program and verify sequence.

If there is any lack of continuity, if the device is not blank or if it fails to program, the cause of failure is shown on the panel. More from 11 Duke Street, High Wycombe, Bucks. (0494 22626).

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

## PROCESSES

### Shredding paper at high speed

BULK DESTRUCTION of high security risk paper and documents, and the volume production of shredded paper packaging can be obtained with the Ventrils 1000, paper shredder capable of a maximum rate of nearly two tons/hr.

Designed and built by Prodac, 34 High Street, Thatcham, Berks, RG18 4PD (063563208), the machine is based on a 24K 600-watt motor, twin TA4/500 breakers, and twin TA4/500 breakers.

Shredders, both made by EBA Maschinenfabrik, Balingen, West Germany. These machines are linked by an impeller/searator system and a separator system, made by Air Plants (Leicester).

The pre-breaker takes waste of paper, computer print-out, cheque books, etc., up to telephone directory thickness and breaks them into 40 mm wide sections. The sections are hurled by an impeller into a 4,000 ft/min. air stream which divides them into individual sheets of paper. The sheets pass through the separator, which removes dust particles, and into the shredders where the paper is reduced to 8 mm wide strips.

This can be automatically bagged in polythene and sold as packing material.

ONE OF the most common problems in engineering is provision of an effective and fast method of cleaning process in the automotive and machine tool industries especially, efficient degreasing is one of the most important operations in the total production programme.

Price Bros. Cleaning Machine from Price Bros. Swiss, provides a fully automatic and high-capacity approach to all normal industrial cleaning operations on small parts. Thoroughly cleaned items are ready in about four minutes, the parts to be cleaned are simply placed in the fixed circular wire basket, and the heated solvent is sprayed on them under pressure from every direction through a revolving sparge system.

The sparge rotates around the basket at about 10 rpm, powered only by the "jet effect" of the liquid spraying out of the slightly offset holes spaced around the inside of the spray

desert conditions, continuously, and are equipped with auxiliary units to guard against equipment breakdowns or power failures.

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bar itself, the re-circulating solvent passes through a full-flow filter. Any number of small parts, one large one, may be cleaned simultaneously up to the physical limitation of the 29 inch diameter basket with a maximum height of 17 inches for the parts themselves.

Price Bros. (A. T.), Holbrook Street, Swindon, Wilts. 0793 20346.

### Pulsing coolant mist spray

THE VBR Mistomatic mist coolant spray now has a trip switch operated pneumatically valve which enables the equipment to be coupled to a variety of automatic and semi-automatic machine tools, and mechanical handling equipment, such as a tunnel oven conveyors.

The device, which requires a supply of compressed air at 2 to 100 psi to operate a venturi sucking coolant from a tank, saves on the use of lubricants because the spray is delivered only when the valve is open. Trip switch controlling the air flow to the venturi can be operated by a cam, trip, or similar device coinciding with the work cycle of the machine.

The company marketing the spray, Extrusion Development, Camberley Works, London Road, Tebworth, Glos. GL8 5BJ (0667 53177), has also introduced a magnetic base for the unit to simplify positioning.

### Supply for sputtering

DESIGNED FOR those who need a high voltage supply for the deposition of metallic films by sputtering is the model EPR-10,000EX from Hartley Measurement Systems, Hartley-Wintney, Basingstoke, Hants. (02525 3523).

It is able to supply 60 kV of continuous dc output (0 to 30 kV at 10 A) and has a short-term rating of 90 kW. Server regulation is provided against  $\pm 5$  per cent line voltage variation and the input requirements are 480 volts three phase 400 Hz.

A fast trip circuit gives protection against short circuit conditions exceeding 15 amps; its separate circuit protects against overloading between 10 and 20 amps and incorporates a 10 minute trip delay to allow output power to recover automatically from overloads of less than 10 per cent. Main power cables measure 52 x 53 x 55 ins. and weigh about 3,000 lb.

Further from Unit Automation at Biddwell Lane, Tenterden.

## TEXTILES

### Speeds up memory burn-in

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## HOME NEWS

## Chevron finds more oil close to Ninian Field

BY RAY DAFTER, ENERGY CORRESPONDENT

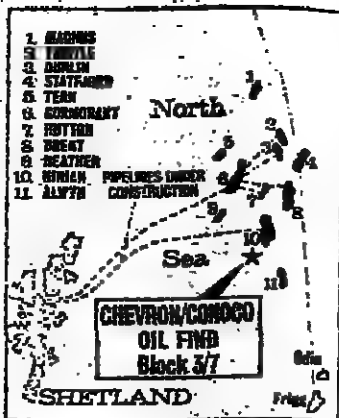
CHEVRON offshore exploration has made another discovery, some 80 miles north of the Shetlands.

The find, close to Chevron's Ninian Field, is the second on 3/7 block although the two discoveries are believed to be on separate fault structures.

The latest well, drilled by the submersible rig Dundee, found oil accumulations in a Middle Jurassic formation at an estimated rate of 3,300 barrels a day by tests on the first discovery in June.

Chevron is saying little about the size of the commercial prospects of the two finds. It is stating the information is being decided on a further programme.

It is thought within the industry, however, that the tests go a way towards confirming a medium-sized accumulation of oil, stretching across



the boundaries of blocks 3/7 and 3/2.

The latest well was a jointly-financed effort by the licensee on the two blocks, with Continental Oil, the operator for the 3/2 partners, acting as supervisor for the rig activities.

If the accumulations on the

two blocks are confirmed as commercial, development is likely to be linked with spare capacity in the nearby Ninian pipeline.

The partners in block 3/7 are Chevron Petroleum, British National Oil Corporation (Ninian), Imperial Chemical Industries, Murphy Petroleum, Occocon, Exploration, Canada Northwest Oil (U.K.), Boudicca (Exploration), Denison Mines (U.K.), Great Basins Petroleum (U.K.), Scurry-Rainbow (U.K.), Petro Oil, Patrick Petroleum (U.K.), Trans-Canada Resources (U.K.) and Oakwood Petroleum (U.K.).

The block 3/2 partners are Conoco North Sea, BNOG Exploration and Gulf Oil Exploration.

British Petroleum announced yesterday that production drilling had started on the fourth platform on the Forties Field. Oil is expected to flow from the platform in spring, 1977. In the meantime, the first three platforms are producing at the rate of 330,000 barrels a day.

## PLA to make radical changes

By John Wyles, Shipping Correspondent

THE PORT of London Authority is to make radical changes in its managerial structure in a bid to attract badly needed new trade.

Details of the proposed changes were outlined yesterday to trade union and staff representatives. Needing to finance a labour surplus which will cost more than £2m. this year, the PLA Board has decided that a new emphasis must be placed on "marketing" the port, and that this will require devolution of management responsibilities.

The new structure, introduction of which will start over the next few months, is partly a product of a review of PLA management by McKinsey and Co. and partly a reflection of the philosophy of Mr. William Bowey, who became PLA managing director at the beginning of the year.

In essence the managerial changes will create operational units relating directly to main trades handled by the PLA, such as containers, packaged timber and bulk wine. Individual units will be responsible for the appropriate cargo-handling charges, for marketing the PLA's facilities for handling the various categories of cargo, and for fixing rates towards industry.

This will represent a considerable shift away from the present geographical system of management, based on the three main docks at Tilbury, the Royals and West India and Millwall. Advantages claimed for the new structure are greater responsiveness to the customer's needs, greater flexibility in pricing, a sharper marketing edge and shorter lines of internal communication.

Although the PLA's traffic is believed to have been 7 per cent. higher in the first half of this year than in the same period of 1975, the port desperately needs higher revenues to cover the inflated overheads caused by its massive manpower surplus.

Last month the Joint Port Development Committee, trade unions and customers urged the Government to bear at least part of the cost of financing this surplus, which under the Dock Labour Scheme cannot be reduced other than by voluntary redundancy. The daily average surplus of dock workers last year was about 1,925.

The PLA's trading loss last year was £4.6m. The financial structure has been scrutinised at the Government's request by Price Waterhouse, whose report is nearing completion. Although no decision has been taken, an increase in charges for January appears inevitable following the decision earlier this year to defer a proposed 12½ per cent. increase due in June to attract more trade.

## Rush to beat oil-rig delay after storm

By Our Scottish Correspondent

HOWARD DORIS, the Anglo-French company building a platform for the Ninian Oilfield, has chartered extra concreting equipment to make up time lost in a freak storm 10 days ago.

The 150,000-ton base for the platform was towed out of the dock in Loch Kishorn in the Scottish Highlands in September, and 580 feet of superstructure has now to be added before the tow-out next summer.

The storm and an unofficial strike last week are thought to have delayed work by up to a month, but there is some slack in the production schedule, and the delivery date may not be postponed.

## Fuel saving speed limits to continue

THE TEMPORARY speed limits introduced in 1974 to save fuel are to be extended for a further six months from December 1, Mr. William Rodgers, the Transport Secretary, said yesterday.

Mr. Rodgers added in a Commons written reply that he would welcome the views of interested organisations by January 31 on whether the limits should continue after the six months.

The maximum speeds are 60 mph for dual carriageways and 50 mph for single carriageway where no lower limit applies. The order does not affect motorways where the 70 mph limit remains.

## Help UN plea

Britain should give a new lead in making the UN more effective, Lord Caradon, former U.K. Ambassador to the UN, said. Giving the Maitland Lecture of the Institution of Structural Engineers in London, he called for effective international action to fight "the mounting dangers of race and poverty, and narrow nationalism and super-power confrontation."

## Montedison may join ICI at £12m. dyestuffs plant

BY RHYS DAVID, CHEMICALS CORRESPONDENT

MONTEDISON, the Italian Dyestuffs represent ICI's biggest export commodity with 80 per cent. of output, valued at £70m. going to overseas markets. Considerable expansion and investment in the company's main dyestuff works at Huddersfield and Grangemouth has taken place in recent years.

The plant, which is already under construction, is expected to cost more than £12m. If a partnership is agreed, it will provide raw materials for dyestuffs manufactured by both companies. It will manufacture H-Acid which is used by ICI in its Trocien fibre reactive dyes made at Grangemouth in Scotland.

This group of dyes, developed by ICI in 1956 for use on the cellulosic fibres, cotton and rayon, has received a major boost from the recent development of a dyestuff package, Trocien/PC which makes it possible to achieve high quality prints on polyester-cotton fabrics.

The possible new venture was disclosed in London by Sig. Ratti, director of Montedison in charge of foreign operations, but ICI said yesterday that negotiations had still to be completed.

activities this year, with sales in the first eight months running some 40 per cent. up on the same period last year. Further losses will be incurred, however, in the troubled fibre subsidiary, Montefibre, and in the company's supermarkets offshoot.

Sig. Ratti pointed to the various difficulties facing the company in its Italian operations. In particular, it had to contend with inefficient public administration, and inconsistent public planning, political pricing of some products, very tough ecological controls and the lack of insurance cover for investment abroad.

The company would be seeking, however, to capitalise on its strengths, including its deep involvement in overseas markets through the sale of plants and processes, the strength of the Italian processing industry, particularly in plastics, and its large research programme. Montedison's rationalisation programme worldwide was being undertaken with the objective of making much better use of its assets.

## Sales improve

Sig. Ratti confirmed in London that a policy of seeking further joint ventures and a wider international spread of activities would continue to form an important part of Montedison's strategy for recovering viability. The company is expecting to break even in its chemical

## Government policies must be consistent—Treasury planner

BY ADRIAN HAMILTON

STRONG ARGUMENTS for consistency in Government policies in the interest of running the economy at maximum output and much too little weight to the importance for industry (and particularly for manufacturing industry engaged in the high volume production of final consumption goods) of having a stable economic and fiscal environment in which to operate and plan for the future.

In a particularly detailed exposition of the industrial strategy, in a lecture at York University, Mr. Lord revealed much of the Civil Service thinking behind the recent change in policy towards industry.

Previous efforts at creating policy had been undermined both by the tendency to set targets from the top and by the constant changes in actions affecting industry.

Over the last 30 years, he said, motor car industry — an absolutely crucial industry — has fared if anything slightly worse than most.

"The effect of these changes has in the long run been highly much importance to 'the debilitating, not least in the

case of some of the changes which were meant to be an expansionary because they often tended to ignore the fact that manufacturing industry in Britain has a relatively low rate of response to increases in demand for its products so that any rapid expansion of demand risks at least a temporary increase in imports and at worst a permanent diminution of the home producers' market share."

Mr. Lord also suggested that a major policy defect of the past 20 years had been "the failure to provide any effective link between analysis, prescription and action as they relate to those economic problems which have their root in our inadequate manufacturing performance."

Too often calls from all quarters had tended either to concentrate on what other could do or tended to result in recommendations which address themselves primarily to the creation of new institutions.

## Rothmans to speed cigarettes plant plan

BY STUART ALEXANDER

A CRASH PLAN to bring a 500,000 square feet cigarette factory on stream before Christmas is being put into operation by Carreras Rothmans.

The company is to take over part of the Patons and Baldwins factory at Darlington, and although formal agreement is expected to be completed only today or to-morrow, machinery is due to begin to arrive on site on Monday.

Carreras announced that it would seek new production capacity in a development area in August, at about the same time that the price-cutting and heavy advertising campaign began in the king size sector of the market.

## Exports

The new plant will be largely given over to Rothmans King Size, sales of which, the company says, have doubled in the home market.

Darlington, however, will concentrate on Rothmans' expanding export market, with the Middle East providing significant growth.

Initially Darlington, the fourth of the company's U.K. factories, will employ about 400 people but this is expected to build up to about 1,000 with production reaching about 1bn. cigarettes a month.

The first phase of the Darlington project will cost £8m., with further investment in new plant and equipment at the company's other factories in Basildon and Rayleigh in Essex and Carrickfergus in Northern Ireland.

## J. W. Cameron £5m. expansion

J. W. CAMERON, a brewing group taken over last year by Ellerman Lines, has announced a £5m. expansion programme — the biggest in its 100-year history.

The cash will be spent mainly on new equipment for a transport complex being installed near the brewery in the centre of Hartlepool, Teesside, and on increasing the group's capacity to produce its lagold lager.

Cameron, which trades mainly in the north-east of England and has more than 700 of its own outlets, also intends to update and improve its soft drinks bottling lines.

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# Tories deploy new tactics

BY JOHN HUNT

THE GOVERNMENT became bogged down in a new procedural wrangle in the Commons yesterday as it continued to battle to get its five controversial Bills on to the Statute Book before the new session of Parliament starts on November 24.

The result was a knockabout debate in which Mr. John Peyton, shadow Leader of the House, goaded Labour Left wingers and challenged the moderates in the party to make their voices heard.

The exchanges were marked by frequent interruptions from back-benchers and the Speaker, Mr. George Thomas, had to intervene when Mr. Dennis Skinner, the Labour Left winger, was accused of calling Mr. Alan Beith (Liberal, Berwick) "a Tory stooge."

The long row over the five Bills took on a new twist with the Conservatives deploying a novel procedural weapon against the Government. Their tactics centred on the committee which will have the task of telling the Lords

why the Commons threw out their amendments to the Education Bill. The government wants to retain its majority on the committee by appointing three Labour MPs and two Tories. The Conservatives, however, attempted to destroy the Government majority by the additional appointment of Mr. Beith.

In an attempt to prevent this proposition being debated, the Government yesterday tried to guillotine it. But the Conservatives countered by initiating a debate of over two hours on the guillotine motion itself.

Lashing out at the Government, Mr. Peyton suggested that there must be some Labour MPs who had a "lurking sense of shame" at the "grubby expedients" being employed to push through the Bills.

There were noisy jeers from Labour Left wingers when he declared that they reminded him of "Lewis Carroll's nightmare of the Mad Hatter's Tea Party." He hoped that before long, the Labour Party would shed the extreme Left "and behave as a respectable political party, free of such malign influence."

The Government, he said, had got itself into a real difficulty and, as usual, was trying to put the blame on others. But Mr. Michael Foot, Leader of the House, was having none of this. He maintained that the traditional procedure for rejecting the amendments was merely a formality and a matter of courtesy to the Lords. The substance of the amendments had already been decided by the Commons.

For his part, Mr. Beith argued that it was only fair that a Liberal should be appointed. The continued exclusion of minority parties from the committee was something which the House should not tolerate.

The Conservative attempt to thwart the guillotine and get a debate on the composition of the committee was defeated by three (310-307).

This means that in addition to the Education Bill the Government can guillotine any similar attempts to discuss the composition of the committee when the other four major Bills in the Government programme come before the House.

# Minister rejects Lords proposal Powell warned to toe UUU party line

By Justin Long, Parliamentary Correspondent

BY PHILIP RAWSTORNE

IT WAS VITAL for the proposed new National Dock Labour Board to have the maximum confidence of the port industry, Mr. Albert Booth, Employment Secretary told the Commons last night when the Government invoked the guillotine for the second night running—this time over the controversial Dock Work Regulation Bill.

Ministers were demanding the removal of over 50 amendments inserted by the peers—many of them fundamental changes which would draw nearly all the teeth from the Government's original proposals.

Mr. Booth said that the amendments made by the Lords altering the composition of the Dock Labour Board would destroy the confidence of those most closely concerned—the employers and employees within the scheme.

"It is of the utmost importance that a very substantial proportion of the Board should be made up of the National Joint Council of the industry," the Minister told MPs.

Another effect of these particular Lords amendments would be to increase greatly the size of the Board.

The Minister considered the 12 members plus chairman and vice-chairman, as set out in the Bill originally, was about right. "It would make for an effective working body," he said.

But apart from increasing the Board members to 17, Mr. Booth was concerned about the reduction this would create in the proportion of members drawn from the National Joint Council. The N.J.C.'s proportion would be less than half under the Lord's proposal.

"This would create a serious situation for the Board," declared Mr. Booth calling on the Commons to reject the Lords' amendments.

Mr. Foot, winding up the debate, said: "I repudiate any suggestion that we are injuring, or impairing the legitimate rights of the House. We are seeking to protect them."

The Opposition was trying to elaborate, or to exploit, what had in the past been an entirely formal procedure. The Government was merely proposing to preserve the present practice of the House.

If the proposals were accepted, guarantees that further absurdities would not be created, and that this committee, which in the past has been solely a formality, could be transformed into something very different."

Mr. Foot said that the Opposition was trying to change the rules of the game.

ULSTER UNIONIST leaders yesterday issued an angry warning to Mr. Enoch Powell to "toe the party line" after the former Tory Minister had indicated his support for maintaining the Labour Government in office.

Mr. Harry West, Unionist Party leader, made it clear that Mr. Powell could be dropped as the party's candidate in South Down at the next election if he defied any decision to vote against the Government.

Mr. Ian Paisley and Mr. James Molyneux, other leading members of the Unionist coalition, later strongly reinforced the expulsion warning.

Mr. Powell, barred from the City of London Young Conservatives meeting yesterday, three hours before he was due to deliver the speech apparently offering his vote to sustain the Labour Government also roused a furious reaction from the Conservatives.

Mr. Alan Bradley, the local YC chairman, cancelled Mr. Powell's invitation after consultation with party leaders.

Mr. Christopher Tugendhat, MP for the Cities of London and Westminster S., supporting the decision, described Mr. Powell's plans to use the meeting to declare a preference for the Labour Government as "ill-mannered and an abuse of hospitality."

And Mr. Michael Jack, chairman of the national Young Conservatives, led a growing chorus of demands for a total ban on any future appearances by Mr. Powell at Conservative party meetings.

Enraged  
"His latest outburst must mean that all those who call themselves Conservatives should exorcise Powell from party platforms by giving him no more invitations where he can peddle his redundant policies on race, the European and the country's future," he declared.

Benefit prosecutions rise likely  
ABOUT 1,000 cases of social fraud would be exceeded this year. Something like 1,000 new cases were being investigated every week.

"We are really trying to come to grips with this particular problem," he declared.

Lady Hornsby-Smith said the millions who willingly paid their dues for the genuinely needy were becoming deeply resentful and it was expected that the about abuses of the scheme.

# Peyton attacks Left's influence in row over Bill procedure

THE APPOINTMENT of the committee which draws up reasons for Commons' disagreement with changes made in legislation in the Upper House has always been a formality, Mr. Michael Foot, Leader of the House, protested in the Commons yesterday.

But the Opposition spokesman on House of Commons affairs, Mr. John Peyton, told him: "We have come to the very sad conclusion that the Government does not regard courtesy as being necessary."

The Government would be in a minority. "That would really be an absurdity. There would be no Mr. Peyton sitting on the Government benches some sense of shame and unease at the grubby expedients they have been driven to adopt to get their shabby business through."

The Opposition felt justified in keeping the House voting throughout the night on the Lords' amendments. "But I have regard for the House, and respect for its convenience, and it would not be our intention to do so."

Mr. Peyton said: "Although we exercise this restraint, we do so on the clear understanding that

it implies no qualification whatsoever of our support for the House of Lords, and our abhorrence and detestation for the Government's attitude."

Pointing to Labour Left wingers below the gangway, Mr. Peyton said they reminded him of "Lewis Carroll's nightmare of the Mad Hatter's Tea Party."

He hoped that, before long, the Labour Party would "shed their influence and behave as a respectable political party."

For the Liberals, Mr. Alan Beith (Berwick upon Tweed) said it was not the first time in this Parliament that it had been necessary to assert that there were several strongly represented parties in the Commons.

"The issue we are concerned with is relating the procedures of the House to the reality of its membership and composition." Some of the Lords amendments had been the responsibility of Liberal peers.

Mr. Robin Maxwell-Hyslop (C. Tiverton) claimed a new restriction on freedom of speech in the Commons, conceived in the previous 24 hours by Mr. Foot "for the same reasons that he denied petitioners the right to petition against the Aircraft and Shipbuilding Industries Bill—because he dare not allow reasonable

argument to see the light of day." As the debate continued, a number of Tory MPs turned it into a general attack on the Government's attitude to the contested Bills.

Mr. Robert Adley (C. Christchurch and Lynton) spoke of the Government "using the jackboot" to force legislation through. There were Labour protests when he commented on their turning for support to "a man who had been interned in Belfast for IRA membership."

Sir John Rogers (C. Sevenoaks) urged Mr. Foot to remember he was not "the ringmaster," and Mr. Nigel Lawson (C. Slough) said that the Leader of the House had "sold down the river his previous devotion to Parliament and the House of Commons."

Mr. Enoch Powell (UUU, Down St) said: "This will be a precedent for the proposition that the House can nominate a committee on a motion that is not debatable but only voteable. It would be a considerable erosion of the rights of the House and of MPs."

Mr. Eidon Griffiths (C. Bury St. Edmunds) started his speech by warning that his remarks were directed at Left-wing Labour MPs.

# Tory peers eliminate time limit on private patients' facilities

THE GOVERNMENT was again defeated in the Lords when peers returned yesterday to detailed scrutiny of the Bill to phase private pay beds out of NHS hospitals.

By an 85 majority, Conservative peers forced through a proposal to scrap the deadline by which the Health Services Board must report on the withdrawal of diagnostic facilities—other

than radiotherapy—from private patients. Voting was 153 to 68. With many more than 100 amendments to deal with during the Health Services Bill's committee stage, the Lords was expected to sit through the night.

Baroness Young, who has been leading the Tory attack, claimed that until a change of heart by the Government, there had been no time limit in the Bill for

phasing-out of diagnostic facilities for private outpatients. Her proposal would restore the Bill to its original state.

Lord Wells-Pestell, Government health spokesman, said that if no target was set for the first report on these facilities, there was a risk that the private sector might see no need to make alternative provision.

Under the Bill, there was a requirement on the Board to submit the first report by Spring, 1978. This was fair to the private sector and the Board and would not delay progress towards complete separation of private practice from the NHS.

# Fewer serious road accidents

FATAL AND serious injury casualties resulting from road accidents in Scotland in 1975 were the lowest since 1965, Mr. Frank McElhone, Scottish Under Secretary, said in the Commons yesterday.

Mr. Adam Hunter (Lab. Dumfries) had asked how the Government proposed to reduce road accidents. "Over the last two months, the number of fatal and serious injury accidents in Scotland, has been appalling, particularly at week-ends," he claimed.

Mr. McElhone denied this: "The fact is that the Government proposed to reduce road accidents. Over the last two months, the number of fatal and serious injury accidents in Scotland, has been appalling, particularly at week-ends," he claimed.

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# Bevan reveals Labour vulnerability to Left

RUPERT CORNWELL, LOBBY STAFF

IONS BETWEEN the Labour Party and the Young Left have rarely been so close as they are now. Like the West German and Young Liberals closer to Labour's youth movement has been an embarrassing frequent prey of Left-extremists.

It has been disbanding—last time when the Youth Socialist Labour (YSL) which had been in control, held a rally in the party's policies in the eve of the 1964 general election.

However, "entrism" (a word for such action) is close to its triumph—the condition of Mr. Andy Bevan, rising, but self-confessed, in the job of Labour's youth officer. His ascent is a look example of how the party can push through the layers of a political to a key position in this

On the face of it, Bevan's empire looks small. In April this year, the Labour Party Young Socialists claimed 4,114 members, scattered over 358 branches.

But although the youth movement has produced luminaries such as Anthony Greenwood, Richard Marsh and, more recently, Roy Hattersley, it has never been considered the key to success. The usual road was, and still is, through the constituency—where Bevan is seen as a new threat.

The troubles of Mr. Reg Prentice in Newham stem from the hostility of his constituency's general committee, which has overall responsibility for local party activities. The LPYS, as well as other affiliated bodies, have a big say.

The word is that perhaps 20 or 30 other moderate Labour MPs could share Mr. Prentice's problems and be disowned by Left-dominated constituency parties, and the arrival of Bevan to a point which carries the right to liaise with Young

# Written Answers

## ENERGY

Mr. Anthony Grant (Con. Harrow Central). When were the last estimates received from BP of the likely yield of its North Sea oil fields, and did they revise earlier estimates?

Mr. Dickson Mabon, Minister of State. They were received on October 11. While the estimates revised the production profile of the Forties field, they did not increase the total recoverable reserves of the field.

## INDUSTRY

Mr. Lewis Carter-Jones (Lab. Eccles). Wherever possible, could there be a general direction that British components are used in all Post Office equipment, in view of the substantial amount of import savings which would result from such a policy?

Mr. Leslie Huddell, Under-Secretary. All but a very small proportion of the components used in Post Office equipment are of British manufacture, but a general direction would not be appropriate. The Post Office is responsible for its purchases of equipment.

## TREASURY

Mr. Lewis Carter-Jones (Lab. Eccles). Could action be taken to ensure that British components of suitable quality are installed in equipment purchased by Government, local authorities and nationalised industries?

Mr. Joel Barnett, Chief Secretary. The vast bulk of public purchases are already placed with U.K. firms.

## TRADE

Mr. Hugh Jenkins (Lab. Wandsworth, Putney). Was Government approval given for the sale of the publicly owned preference share in British Lion to EMI, and was the price paid considered to be fair and fair?

# Apathy

Their other, and equally important, grievance is that the post of youth officer is traditionally filled by an agent. The latest developments, therefore, have aggravated bitterness in a vital section of Labour's organisation in the field, already upset by low pay and dismal promotion prospects.

For all the dislike among moderates, it is improbable they will mount a real counter-attack. Given the Leftward slant of the NEC, and even more of its Organisations sub-committee, which has direct responsibility for the nominations, there is small chance that the youth movement will be broken up again, however much the Prime Minister might wish it.

Then there is the eternal apathy of moderates when faced by a tiny extremist challenge. "The numbers are so small. They're not thug-like, so people say what harm do they do?" said one party official.

Bevan himself can hardly lose. Should he be confirmed, it will be a giant step forward for his cause.

In Transport House itself, the worries are more basic. "I'll be like having a spy in the camp," someone said—hardly the brotherly love Labour needs in its ranks as it fights to recover lost electoral ground.

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# US ON YOUNG SOCIALISTS

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# hierarchy

of course, has decades experience in living with its fringes. But whatever (an NEC meeting November 23 will have the word) the episode demon-



## LABOUR NEWS

## Disputes hit Ford's Halewood output

PRODUCTION of 150 cars, worth more than £250,000 in retail terms, was lost at Ford's Halewood, Merseyside factory yesterday when 24 paint shop workers struck over a manning issue and 1,300 assembly plant workers had to be sent home.

The dispute was linked with a letter from the management last week-end about failure to produce quality cars without overtime to correct defects.

The company said that the paint shop line was cut by one man because of the drop in production, but 24 men on one shift objected and walked out.

Another dispute has affected production on Halewood's night shift. On Tuesday night, 50 body plant workers walked out after the management refused to rescind its decision to dismiss a man for alleged threatening behaviour and refusing to do a job. Production of 400 car bodies was lost.

## Row over four brings Hull port to a halt

A MANNING dispute over four men brought the Port of Hull to a standstill yesterday when more than 1,500 dockers walked off 26 ships. The shop stewards have called a mass meeting for today.

The dispute began when four men were withdrawn after a job aboard the freighter Glen Melville, to which they had been allocated, was completed.

The dockers claimed that the men were still needed but the employer disagreed.

Mr. Geoffrey Cullington, chairman of the Port Employers Association, said the stoppage was unofficial.

It was only on Monday that the dockers called off a three-week work-to-rule and overtime ban in a pay dispute involving three men.

## APPOINTMENTS

## Executive changes in EMI group

Mr. David Peacock, previously managing director of GEC-Eltham Control Valves, has been appointed managing director of AFA-Minerva (EMI), the fire and crime protection subsidiary of EMI. He succeeds Mr. Charles Cole, who has become financial director of EMI's industrial electronics operations. Mr. A. W. L. Mandy, formerly with IIT Business Systems Group, joins AFA-Minerva (EMI) as marketing director.

Mr. Ron Bliss has been appointed vice-chairman of the PENGUIN PUBLISHING COMPANY and remains joint managing director with Mr. Ray Massey. Mr. Jim Rose, the chairman, continues in the position of chief executive, which he took over following the departure of Mr. Peter Calvercross earlier this year.

Mr. Anthony Mott, a director of the company, has been appointed to the new position of editorial director, adult publishing, and will assume overall responsibility for the editorial policy of the Penguin, Pelican, Penguin Education, Puffin and Allen Lane lists. Miss Kay Webb, also a director, becomes editorial director, Children's Publishing and Mr. Patrick Hardy, who joins the main Board, has been made deputy editorial director, Children's Publishing.

Mr. Martin Wilkinson has become chairman of ALTFUND in place of Lord Blackford, who has retired from that position but remains on the Board.

Mr. John V. Richman has been appointed sales director of TIFFANY FOODS.

Mr. G. T. Beer has been appointed deputy managing director of WRIGHT AND GREEN (HOLDINGS) and Mr. D. G. M. Crisp has become a director. Linford Holdings is the parent concern.

Mr. Robin Young has been made a member of the Board of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY. Mr. D. A. Herdridge, pensions manager, has joined the Society's executive and Mr. W. B. Lawson has been appointed to the assistant executive as assistant marketing manager. Mr. Young is a partner in Martin Currie and Co.

Mr. Clifford J. Smith, a director of Dorr-Oliver, has been elected chairman of the FILTRATION SOCIETY for 1976-77.

Mr. Jack Lowe has become chairman of the NATIONAL CAVITY INSULATION ASSOCIATION.

Mr. John Shaw, managing director of Cawoods Fisheries, has been appointed to the Board of CHRISTIAN SALVENSEN (SEA-FOODS).

Mr. D. W. Haspinall has been appointed a director of BRADSTOCK HAMBLEN.

Mr. Michael J. Kelly has been appointed a director of Rubber Estate Agency Marketing and Mr.

## Decision on aero-engine strike expected to-day

BY RHYD DAVIES, CHEMICALS CORRESPONDENT

ABOUT 440 workers at the Rolls Royce (1971) aero-engine factory at Blantyre, near Glasgow, are expected to decide to-day whether to continue with a 17-week-old strike and sit-in, in protest at the company's decision to close the factory and relocate the work-force elsewhere.

To-day's meeting comes after a decision yesterday by shop stewards from all Rolls Royce factories in Scotland to recommend that the strikers return to work and re-open negotiations with management.

The strike committee at Blantyre is expected to meet this morning to discuss this recommendation. It is likely to endorse the return to work call. But whatever is the outcome of to-day's meetings, the future for the Blantyre plant and Rolls Royce production in Scotland is still in doubt.

If the strikers decide to stay out, the company will almost certainly find it increasingly difficult to make a phased withdrawal from the plant before the lease on the factory expires next May.

The strike could spread to other Rolls-Royce plants in Scotland. Some form of sympathy action from Rolls Royce workers in England could be possible.

The decision to close the Blantyre plant, which manufactures components for a wide range of Rolls-Royce gas turbine engines, was made at the beginning of this year.

This came after management projections of the expected workload for the Scottish plants for this and subsequent years.

The management calculated that it would have insufficient work throughout its Scottish plants for the next five years for the existing workforce. The numbers without work were slightly greater than the total of 520 employees at the Blantyre factory.

Consequently, the company decided to close the Blantyre factory and transfer the work and employees to Hillington.

It decided that when orders for aero-engines improved it would have to meet the increased demand by higher productivity at the Hillington plant.

While closing the Blantyre plant would cost about £500,000 in the first year, the company would help a similar amount.

Rolls-Royce told the Department of Industry of its decision on January 12 and the unions two days later.

The company gave the unions a detailed brief of the reasons for the closure and how the consequences of the decision could be eased. The management said that it wanted to interview each employee to explain the situation and arrange the best way of

that no compulsory redundancies would result from the move with all the Blantyre workers being taken on at Hillington.

But in spite of a series of meetings between the company, local and national union officials, and the Department of Industry, agreement on the closure plan could not be reached, culminating in a strike decision on July 13 this year.

The workers' case for resisting the move rests on the loss of job opportunities in an area of high unemployment and the social consequences of the closure.

Shop stewards at the plant say that if Blantyre is profitable at the moment then there is no reason why it should be closed.

The unions feel that management is being unduly pessimistic over the manpower projections for the next five years and claim that they will be seeking to re-employ workers at Blantyre within two or three years. But by then, they say, the skilled workers will be gone.

If those strikers return to work they will have little time and industrial power left to persuade the company to change its mind.

But the workers are still likely to draw comfort from the fact that a previous attempt at partially closing the Blantyre factory in 1969 was reversed after union pressure.

The company has guaranteed

smoothing over the social upheaval of the move.

It has offered to augment present subsidised transport arrangements so that travelling costs would not be greatly increased. Employees transferred to Hillington would be paid a special allowance of £19.65 a week for 24 weeks, and an additional single payment of £150.

Employees who decided to live closer to the new factory would have all removal legal, and other expenses paid by the company. There would be a settling allowance of £400 and a payment amounting to 5 per cent of their annual basic income.

The company has guaranteed

engines at the company's two factories.

Their union, the Association of Scientific, Technical and Managerial Staffs, said that the men were upset because their earnings had dropped below those of employees they had to supervise. At the same time, they were doing additional duties with extra responsibility.

They would now work normally, with the promise that the company would discuss every aspect of the pay anomaly. A wage rise might be possible in the fresh circumstances. It was thought.

Sanctions had included an overtime ban which, with other action, was threatening to disrupt production of gas-turbine

## Man who thought union expelled him can rejoin

BY OUR LABOUR STAFF

AN ELECTRICITY supply worker who stopped paying his subscriptions to the General and Municipal Workers' Union believing that he had been expelled should re-join, the independent Review Committee set up to consider closed shop problems has decided.

The man, Mr. A. N. Hines, applied to join the Transport and General Workers' Union but the GMWU objected to his transfer. As a result he risked losing his job under the industry's closed-shop agreement.

According to the GMWU, Mr. Hines had not been expelled and, says the committee, it has received "satisfactory assurances" about his treatment if he agrees

to return. "The committee considers that it is in Mr. Hines' best interests to re-apply for membership of the GMWU."

Mr. Hines, says the committee, had shown reluctance to re-join the GMWU but this sprang from "misunderstandings and misconceptions," particularly his belief that he had been expelled.

Another complicating factor was his earlier association with the Electricity Supply Union. This non-TUC union is not party to the closed shop agreement, and several of its members have been dismissed for failing to join a recognised union.

THE NATIONAL Union of Teachers disciplinary committee has told 32 members at Little Lifford School, Newham, whose membership was suspended for staging an hour-long unofficial strike last month that they will remain suspended until they sign an undertaking not to stop work again without executive approval. A member of the group said that there would be an appeal.

Call for code Employers could be liable under new legislation for legal action on behalf of children born with deformities, even though the mother herself was not injured, claimed the Industrial Relations Review and Report. The magazine calls for a code of conduct to be drawn up for pregnant women who work.

Waste charge The Department of Employment and Manpower Services Commission is accused of wasting money on its job-finding services, a report by the Federation of Personnel Services—the organisation representing private agencies. The Federation said that the Government spent ten times as much as private agencies on salaries, but placed fewer people in employment.

Strike goes on The unofficial strike by 600 seamen at Felixstowe, Suffolk, continued in spite of urgent talks between union and management representatives. The seamen are seeking no-redundancy guarantees and recognition of the union's port committee.

Mr. Colin Shaw, chief secretary to the BBC since 1972 has been appointed to the new post of director of television at the INDEPENDENT BROADCASTING AUTHORITY from next spring on the retirement of Mr. Bernard Sendall, deputy director general (programme services).

Mr. James Anderson, president and director of Anderson Strathclyde, has been elected chairman of the BRITISH PRODUCTIVITY COUNCIL. Deputy chairman of the Council is Mr. John Cousins, director of manpower and industrial relations at NEDO.

Following the merger of Laur Punter with Wellorax, the new Board of LAUR PUNTER consists of: Mr. W. A. Wells, Mr. C. Punter, Mr. S. Convey, Mr. E. East, Mr. R. Walker and Mr. C. A. Champion.

Mr. Michael P. Tine has been appointed chairman of the local Board and general manager of SENA SUGAR ESTATES in Mozambique.

Mr. N. G. Panter has resigned from the Board of DOWNS SURGICAL GROUP.

Mr. Bill Green has been appointed chairman of ST PETER SPORTING GOODS. His place as joint managing director has been taken by Mr. Paul Sullivan.

Mr. Tom Matherwell has been appointed a director of WOOD-WORTH ENGINEERING SERVICES. He replaces Mr. R. M. Murray, who has resigned to devote more time to his work as director of international operations for Weir Pumps. Wood-Worth Engineering Services is jointly owned by the Weir Group (parent of Weir Pumps) and the John Wood Group. Mr. Matherwell takes up his new position in addition to his post as service manager for the spare and service division of Weir Pumps.

Mr. John Shaw, managing director of Cawoods Fisheries, has been appointed to the Board of CHRISTIAN SALVENSEN (SEA-FOODS).

Mr. D. W. Haspinall has been appointed a director of BRADSTOCK HAMBLEN.

Mr. Michael J. Kelly has been appointed a director of Rubber Estate Agency Marketing and Mr.

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# The Marketing Scene

## TV's slow pick up

ANTHONY THORNCROFT

may be regaining some ground from the BBC in its return to its traditional channel, but the October 1978, which show a 50-50 split between ITV and BBC for the first time, has far from the complaints of advertisers and agencies, and in fact a 2 per cent. ITV fall on the month. But things improved in the latter part of October. Spear, media chief at Ted, reckons the peak time in October was 15-20 per cent down on the October 1977, and taken with the extra of buying TV time (some agencies still prefer to go to the BBC rather than offer spots to ITV), advertisers can up to 40 per cent more for audience over last autumn. A disappointing development is that some of ITV's new programmes, such as the New 900, have not had the success predicted for them, and the ITV contractors, buoyed up by their current record year, and the knowledge that new advertisers, such as a recent state of corporate advertising, are still trying to get on the medium, can afford to ride out the storm in the expectation that the BBC programme onslaught will recede slightly.

## new artists taped

It is to be thought that the industry was recession but not any more. This record sales are likely to be cent. down, which is causing some desperate rethinking of companies accustomed to the attention it deserves. Sales of which account for 30 per cent. of the business, and which, at the overall trend, are still strong. Companies overlook because their preoccupations to "break" artists on a hit single and then in the more profitable sales. Tapes cannot be an artist, and their production cost cuts down profits. But now one company, DJM, which grew rich on John, is attempting to arise new artists through

NEW agency, the first for time, has opened in London. It is McCann, Erickson, and consists of Graeme McKinnon, a direct response contact at McCann; Ron Sidaway, head of Merchandising, the promotions company; and Bob Wright, previously a director at Osborne. The agency starts with 10 worth of business, its clients being Borden and Children's Britannica, and by McCann, from the McCann part of Odessa Hill Order; Elliott Shoes; Madsen; and Bally's of Glasgow. ● DAVID Ogilvy, founder of Ogilvy and Mather, is the first non-American to be elected to the American Advertising Federation's "Advertising Hall of Fame." Meanwhile, Ogilvy and Mather has bought one of the U.S.'s top creative agencies, Seattle's McCabe, Stone, which has billings of \$6m. dollars. ● THE Economist Intelligence Unit has published the definitive analysis of the U.K. watch market—the third largest in the world. The 200 page report costs £35, and suggests that the U.K. market will be sold (worth £170m.) in 1979. Mechanical watches are expected to fall to 70 per cent. of sales next year under pressure from electronic watches, and to below half of sales by 1980. ● STOWE and Bowdler of Manchester has gained the £200,000 plus account of the North West Electricity Board, which had been 20 years with Brunings. ● ROYDS of Birmingham is handling the advertising for Carousel Holidays.

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## U.S. retailers consider

## A return down-town

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

AT A time when British retailers are consumed with the idea of developing outside city centres, it is sobering to note that the American supermarket groups are wondering whether perhaps they might not think of going back into the downtown areas. At a recent conference in Washington, representatives of the major supermarket groups met with Federal and city Government officials and consumer pressure groups to consider ways of operating viable shops in the city centres. The conference, held under the auspices of the Community Nutrition Institute and supported by retailers' two main trade associations, was in response to a number of factors. In the last 20 years, the supermarket operators have followed the population and moved out of the cities. Now virtually every town in the U.S. has its own satellite shopping centres outside—sometimes several—and the downtown areas have been denuded of all but the smallest food shops. The planners, unlike those in England, have done little to stop the drift and indeed a drive round the States is enough to make anyone have second thoughts about the desirability of uncontrolled out-of-town shopping developments. The problem, however, as far as the consumer groups are concerned, is not the impact on the landscape but the effect of shops leaving the towns on those people who are left living there.

The worry is that competition in the city areas has been reduced and the prices paid by those living there are more expensive than those available in suburban developments. And, often, it is those people still living in the cities—the poor and the elderly—who need the cheaper prices most.

The argument is not, as it would be in the U.K., that the supermarket chains operate different price structures in their city centre stores and out-of-town developments but that competition, and pressure on space, has reduced choice for the urban consumer who is sometimes left with no option but to shop at her local convenience stores, who only survive because they sell at higher prices.

The issue has been causing concern for some time. In the 1960s, following hearings in Washington on the subject, most of the supermarket groups were persuaded to adopt a more uniform price structure across all their branches, and more recently the Federal Trade Commission has started investigations into the question of whether prices are higher in the inner city areas and whether the big groups left in the inner cities are using their power to keep other shops out.

In this situation, the supermarket executives who attended the Washington conference may well have felt that it would be in their interest to be seen to express concern about the plight of the inner city shoppers rather than have the FTC imposing its opinions on them. Even so, the Community Nutrition Institute is surprised by the attendance

at its conference, and the apparent desire by some supermarket groups to find a way of operating profitably in the downtown areas. The picture presented at the conference was not very encouraging. A study, sponsored by the Super Market Institute and the National Association of Food Chains, and carried out in eight cities, showed that often there was not the volume to trade profitably in the poorer areas. The figures showed that expenses for inner city stores were 9 per cent. higher than for suburban stores and that net profits were less than half those achieved on the edge of towns.

Some practical suggestions, mostly along the lines of joint ventures and co-operatives, were put forward. In Chicago, Hillman's, a local supermarket chain, has started a joint venture in which the local community organisation owns two-thirds of the supermarket and Hillman's the remaining third. Hillman's is also paid a management fee for running the store. The company is very pleased with the experiment and says that productivity is the highest in its chain.

The main conclusion, however, was that no single organisation could provide the answer. Some

Labour alone cost 7 per cent. more in the inner city stores while rents, rates and utilities all cost more. Insurance costs were 70 per cent. above those outside the cities and repairs and maintenance 45 per cent. higher. Pilferage losses were also considerably greater.

All these factors have contributed to the drift of shops away from the city centres. According to the survey, the number of supermarkets in downtown areas has declined by between 28 per cent. and 56 per cent. over the last 10 to 15 years with Washington DC losing 33 per cent. of its food chains between 1968, the year of the race riots, and 1974.

As a result the square footage of supermarket selling space available in the poor city areas was substantially lower than in the more affluent suburban areas. In San Antonio, for example, there is now only 1.9 square feet of supermarket selling space per person in the downtown areas against 3.6 square feet in the newer developments.

The conference provided no easy solutions to the problem. Some delegates suggested that the zoning controls, which limit land usage, could be relaxed and others proposed some kind of abatement on property tax, or accelerated depreciation of new investment, for more operators

TV campaign. So far the response to the product has been good, especially from chemists who are still responsible for two-thirds of analgesic sales, and off take is just above target. But it is unlikely that Aspro will ever again be the dominant product at Nicholas. These days it has to fight for the promotional money with products like Radox and Rennie's.

But perhaps Nicholas's greatest marketing success has been in the U.S. where it has developed the leading skin lighter for black consumers who do not want to be too dark. The brand is also starting to sell well in the U.K.

● THE Grand Prix at the Rank Cinema Advertising Awards was won, especially from chemists, O'Connor, O'Sullivan, for a commercial promoting Gauloise cigarettes from advertiser P. J. Carroll. Runner up was Gordon Gin, and equal third were Campbell and Family Planning.

Winnipeg, the Health Education Council for an anti-smoking commercial, Moussec, Callard and Bowser, and St. Raphael.

## EXHIBITION TRAINS

## Pioneer's big rush

BY ANTHONY THORNCROFT

THIS year Pioneer, which claims leadership in the £50m. hi-fi market rather than the more fuzzy £250m. total audio equipment business, did not take space at the annual Audio Fair at Olympia—which was just as well because it was cancelled. Instead it spent £110,000 on transporting the Pioneer Express on a three-month tour of over 50 railway stations—the largest rail tour to date.

Exhibition trains are quite an established phenomenon but few companies have invested as much in the idea as Pioneer, a Japanese manufacturer whose products are marketed here by Shrim. Even Pioneer must take second place to Rank Xerox in exploiting the train.

Rank Xerox spent over three years on a train, selling its products in Eastern Europe and is taking to the rails again next year. Pioneer did the next best thing in hiring the five top coaches in the British Rail fleet (those also used by Rank Xerox), plus an extra one, and also hiring, from private sources, steam engines to pull the train around some parts of the country.

In practice British Rail is not very responsive to steam, and for most of the time the old engines had to be pulled by diesel, but the Flying Scotsman was on view to make a visit to the Pioneer short tour users.



There have been eight other customers this year, including the printing industry in a joint exhibition, Nairn Floors (a return booking), Hygena, and the Yorkshire and Humber Development Corporation which toured the south of the country trying to interest companies in moving north. The great majority of the almost fifty exhibition trains so far hired are aimed at trade buyers, and the obvious attraction is that it offers a company a more interesting location for a presentation than a local hotel. Not all the seventeen coaches in the British Rail fleet are as sophisticated as those used by Pioneer and Rank Xerox, but this is one area where British Rail has led the world.

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THURSDAY, NOVEMBER 11, 1976

## Non productive expenditure

SIR RONALD MCINTOSH, director general of the NEDC, was clearly sticking his neck out on Tuesday when he made a speech advocating further early cuts in public expenditure, and yesterday the Economic Committee of the TUC — not to mention the leaders of the public sector unions — trod on it hard. There were two main reasons why it could scarcely avoid doing so. The first is that unions representing workers in the public sector play an important part in the working of the TUC and are naturally sensitive to any suggestion that the relative size of the public sector should be reduced. The second is that both the TUC and the CBI are now concerned about the risk that the coming economic package, whatever the Prime Minister may say about not accepting conditions that would damage the long-term growth of U.K. industry, may push a sluggish growing economy into a severe recession.

Yet the NEDC has survived various changes of government more successfully than other institutions just because it has proved a useful forum for discussion between Government, TUC and CBI. It would be unfortunate if a misunderstanding of what Sir Ronald meant were in any way to diminish this usefulness. His intervention was obviously identical with those of the TUC and CBI, to reduce to a minimum the effect on the economy of bringing inflation and the growth of the money supply under better control.

## Minimising effect

The first point he made was that the fall in sterling, the rise in interest rates and the consequent drop in business confidence had already done much to upset the programme of diverting resources into manufacturing industry. The second was that overseas observers were unhappy, and rightly unhappy, not so much about the absolute level of public expenditure but about the high proportion of expenditure, financed by borrowing, which went on unproductive purposes. He drew the conclusion that a traditional deflationary package, introduced at a time when growth is sluggish at home and prospects for continued world growth are becoming more doubtful, might do lasting harm to the joint

## Structural problems in West Germany

THERE WAS a time — not many years ago — when unemployment in West Germany scarcely existed. The interesting indicator to watch, so far as the labour market was concerned, was how far the number of advertised vacancies exceeded the number of those registered as out of work. The gap tended to be filled by workers from abroad.

## No refutation

The economic recession of 1974-75, however, has changed all that. West Germany has now gone through two successive winters with unemployment over the 1m. level. Even now — with economic growth again rounding off at an annual rate of around 5 per cent. — the number unemployed in October was officially put at over 940,000, or 4.1 per cent of the labour force. In other words, there is the emergence of a structural problem and it is against this background that the Federal Government yesterday announced measures to facilitate retraining and labour mobility.

How far the measures were necessary may be judged from a breakdown of the unemployment figures. More than 10 per cent. of those out of work in October, for example, were under the age of 20. There were also marked differences in the demand for labour between one industry and another and between regions. The number out of work in the metal-working and electrical industries was still falling, but in the construction and construction-related industries it was again rising sharply. In Baden-Württemberg the unemployment rate was less than 3 per cent. In the Saarland and other less developed areas it was around 5 per cent. Even the Bundesbank has acknowledged that there is now a structural problem.

Some U.S. companies gain unfair export advantages through 'dummy' DISC corporations.

David Egli reports

## GATT puts a spoke in the DISC

ABOUT 75 per cent. of American exports are currently being traded through "dummy" tax relief companies in what amounts to a mammoth export subsidy scheme which violates the General Agreement on Tariffs and Trade (GATT).

A panel of experts in Geneva has concluded that complaints by other countries over the controversial U.S. Domestic International Sales Corporation (DISC) legislation are justified because of the advantages it confers on U.S. exporters through federal tax relief.

The DISC system, introduced only five years ago, will allow the indefinite, interest-free deferment of taxes of as much as \$1bn. this year and it is estimated that this indirect subsidy may have had a trade-creating effect of some \$9bn. in export gains for the U.S. at the expense of other exporters around the world.

The finding that such indirect subsidies have brought the U.S. into violation of GATT is an acute embarrassment for Washington, and the fact that concurrent findings of the GATT panel condemned certain features of French, Dutch and Belgian tax systems barely eases the delicate position in which the American Administration now finds itself.

Mr. Frederick Dent, President Ford's special representative for trade negotiations, has lost little time in calling for consultations with "interested governments" — and there are expected to be many — in what is probably the most significant dispute over respect for GATT rules in the past 30 years.

The purpose of the talks, Mr. Dent said in Washington, would be to achieve a mutually satisfactory solution to the problem of trade-distorting effects of tax practices. He underlined that in the American view, "an internationally satisfactory resolution is essential rather than unco-ordinated unilateral changes in domestic law or policy."

This seems to imply that the U.S. would be prepared to negotiate a repeal of DISC legislation in return for changes in the tax policies of the three countries directly involved as well as a general tightening up of tax systems around the world to ensure that their impact on trade would be minimised. But the fact is that the GATT findings along with President-elect, Mr. Jimmy Carter's television criticism of DISCs as "dummy" corporations which are a drag on the average U.S. taxpayer, will make it very difficult for the U.S. to obtain any kind of concession in return for the abolition of the system.

Negotiations could be conducted in a two-phase process. Some of the sting has probably

been taken out of initial consultations between the U.S. and the EEC because both sides have had ample opportunity to vent their spleen about the other's tax practices in the last three years. Since all four countries were found "guilty" in the eyes of GATT, they may now have a common interest to resolve the issue as quietly as possible, even though the trade distortion impact is far more important in the case of the American system. It is probably correct that, with the Tokyo round of multilateral trade negotiations entering the final stage, neither side wishes to appear to embitter relations

## OVERALL TAX ADVANTAGE OF THE DISC SYSTEM FOR U.S. PARENT PRODUCTION COMPANIES

Company	Effective tax rates*
Eastman Kodak	36.1
United Aircraft	48.4
Caterpillar Tractor	31.6
McDonald Douglas	3.2
Union Carbide	23.6
Monsanto	24.7
Dow Chemical	29.1
R. J. Reynolds	22.8
Sperry Rand	26.0
Tecumseh	46.0
FEC Corporation	20.9
TRW	36.6
American Brands	37.7
Raytheon	44.6
Average of 14 firms	30.3

\*The effective tax burden of companies with a DISC subsidiary, related to the legal rate of corporate tax of 48%. The degree of apparent tax relief shown in the table may be related to other factors as well as concessions for DISC subsidiaries.

Source: An analysis of DISC, by the staff of the House Budget Committee for the Task Force on Tax Expenditures, Sept. 1975.

with the other. Matters may get a little more complicated, however, if the Americans subsequently put the issue before a wider audience through the promotion of some new code to deal with the trade impact of tax practices on a global level.

As it is, the panel findings, which will be presented to the GATT Council tomorrow, are a Pandora's box of legal possibilities. On all four briefs examined by the panel, a prima facie case was found of "nullification or impairment of benefits" — a key phrase for the opening of complaints procedures under GATT. Doubtless many countries — not least Canada which gave interviews to the panel — will now watch the issue very closely. No matter how hard Washington tries to play down the affair on the international level, the Americans are obviously not going to be allowed to drag discussions out too long.

Some idea of the potential impact of the panel's findings can be inferred from the factual aspects of the DISC legislation accepted by the five-man panel. The panel says that projections indicate that the effect of DISC legislation on exports this year could be as large as \$9bn. It is always hard to estimate

about 230,000 jobs in the export sector. At that time, U.S. exports which for tax relief purposes were channelled through Domestic International Sales Corporations accounted for some \$43.5bn. or 61 per cent of total U.S. exports for 1973. Washington says that 70 per cent of U.S. exports went through DISCs in 1975 and as much as three quarters of total exports may be accounted for in the same way this year.

The DISC legislation, in effect providing for a tax advantage of some 25 per cent. on export sales — and designed by Mr. Nixon specifically as a tax incentive to increase U.S. export trade — came into effect on January 1, 1972. The instant attraction of the scheme can be seen from the growth statistics. After only three months, more than one thousand DISCs had been set up; at the end of the first year, there were nearly 3,500 such corporations; and nearly 5,000 after two years of operation. Now there are well over 8,000 handling on paper the whole range of U.S. exports.

The legal requirements to achieve DISC status are hardly arduous. The new domestic corporations had to show that 95 per cent of their gross receipts and assets were "qualified ex-

ports" receipts or assets. These new domestic "tax haven" companies are not subject to U.S. federal income tax on current or retained export earnings but one half of a DISC's earnings is deemed to be distributed to the DISC shareholders and is taxable to those shareholders as a dividend. A brought inter-company pricing liability to taxation on the other 50 per cent of retained earnings would arise only in certain circumstances, such as failure to qualify as a DISC in a given year, which — company tax lawyers have carefully avoided.

Certain inter-company pricing rules permit allocation of income between a parent company and its subsidiary DISC. DISC profits are taken to be an amount which does not exceed either 4 per cent of its export sales receipts or 50 per cent of the combined taxable income of the DISC and its related supplier. In most cases a fifty-fifty split of profits is chosen, and since one half of the DISC profits are considered to have been distributed to the parent, the net effect is as if 75 per cent of the export profits were taxed on a current basis. Tax on the remaining 25 per cent, allocated to the DISC, is deferred, without attracting interest for the period involved, in contrast to the general practice of late payment of Corporation Income Tax. In addition, the DISC is entitled to a supplementary profit equal to 10 per cent of related export promotion expenses.

The European Community argued in the panel hearings begun last March that DISCs were "artificial subsidiaries" with no personnel, no inventories and no operating costs of their own. In addition, the tax deferral advantages were unlimited in time since there were no rules in the DISC legislation to prevent the deferment from being maintained indefinitely. The system, the Community

argued amounted to an export subsidy incompatible with America's obligations under the GATT article 16 relating to notification of export subsidies. The U.S., hotly denied that the DISC legislation amounted to a subsidy on exports, and claimed that the legislation had brought inter-company pricing rules "more in line" with those of other countries on exports, thus removing an existing distortion rather than creating a new distortion in international trade.

In counter-charges, the U.S. claimed that a number of countries, including France, Belgium and the Netherlands, were not in accordance with their obligations under GATT. The GATT Council, at this stage, is not expected to take any action on the findings, but the European Community has already indicated willingness to engage in consultations with the U.S. It is expected to stress that in trade and financial terms the effects of the DISC legislation are out of all proportion to the very limited impact of the tax relief practices of Belgium, France and the Netherlands.

The British delegation in Geneva is reportedly "rather pleased" with the findings, but takes a realistic view as to these outcomes. It would be unreasonable, it is felt, to expect abrogation of the DISC legislation without a quid pro quo. Perhaps the Americans will take a moralistic approach and call for a whole new set of international rules on tax practices. Perhaps they will attempt to "horse-trade" repeal of the DISCs in return for removal of the European export inflation insurance schemes which a GATT working party is presently examining. The DISC issue might even be brought into the present Tokyo round of multilateral trade negotiations, although this seems unlikely. But there could be a final compromise taking into account trade advantages for some countries — gained in the Tokyo round — could be offset if the DISCs were committed to oblivion.

Much will depend on Mr. Carter's economic advisers. So far his dislike for DISCs has been expressed in terms of their impact on U.S. tax revenues in foreign collections. These were set at \$756m. in DISC year 1974 and are projected to reach more than \$1bn. in fiscal 1977.

There is, of course, the aspect of employment creation which is of great importance to the Carter camp. If DISCs, as the panel report and American projections suggest, may have provided 230,000 jobs in the export sector in 1974 and the effect of DISC legislation on exports has doubled since then, can the new Democrat Administration afford to be too responsive to international pressures?

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## MEN AND MATTERS

## The churches' nuclear probe

Energy Minister Anthony Wedgwood Benn is on record as favouring plenty of public debate about the future uses of nuclear energy, and next month yet another body is getting into the fray. The British Council of Churches is planning what it calls an "independent inquiry" into the proposed CFBR — the commercial fast reactor No. 1.

Benn himself seems keen, planning to give evidence and generally bestowing on the whole idea his "warm support", according to one of the inquiry's leading lights, the Right Rev. Hugh Montefiore, Bishop of Kingston. Montefiore is now quite a seasoned campaigner on environmental matters: earlier this year, he went under the anti-Concorde banner to the hearings in Washington which debated whether the aircraft should be allowed into the States. The Bishop made an imposing front-row figure, hard to ignore, and he made a fighting speech. Some of his back living near Heathrow were pleased, but others working in local aircraft engineering factories were probably less impressed.

The two-day inquiry in London will attempt to grapple with several prickly nuclear points, with a generally critical line running through the suggested subject matter of some of the sessions. The churchmen are

thinking of asking for evidence from several other Ministers apart from Benn, including the Chancellor of the Exchequer, and from power chiefs and leading trade unionists.

The British clergy's initiative follows a resolution adopted last month by the U.S. National Council of Churches opposing many aspects of the so-called plutonium economy (the fast breeder is fuelled with plutonium).

The council wants the American Government to ban the use of plutonium — named, incidentally, not after the king of the underworld, but like uranium after an outer planet — to oppose export contracts for reprocessing spent nuclear fuels, and to reduce the stockpiles of nuclear weapons. It also urged member churches to "call upon each Christian to inform himself on nuclear affairs."

## Icy tales

As Ira Waggoner found, talk about towing icebergs around, and most people stop listening. Waggoner, as I mentioned earlier this year, was one of the more entertaining fringe Presidential candidates in U.S. who sought support for towing in icebergs to irrigate the California desert. Now a similar idea is being promoted seriously by the Saudi Arabians to help overcome their shortage of fresh water.



"Central Office thinks he might be a Powell!"

Prince Muhammed al Faisal, governor of the country's Saline Water Conservation Corporation, said last month that one giant iceberg could provide 25m. gallons of fresh water, enough to supply half the requirements of the main port of Jiddah. The scheme, he added, was not "as far out as it sounds."

Now quite a few of the other details have been filled in by a French engineering company called Cicero, which has high hopes of winning a contract to supply the bergs. The statistics go like this: the icebergs would have to be hauled 5,000 miles from the south pole; each would be 35m. tons; to protect the monsters en route they would be covered; and there would be a 20 per cent. loss in mass during the voyage.

To minimise damage tugs would move at one knot, so the journey would take some six months. At the entrance to the Red Sea, the depth of water is only 120 feet, so the bergs

would have to be cut into 1m. ton chunks using heated electric cables.

Once home, the icebergs would slowly melt in the sweltering heat and "lakes of water" building up on the surfaces would then be pumped ashore. Cicero claims the capital cost of the project would be some \$80m., and each voyage would cost \$20m. And why the south and not the north pole? The trouble is that icebergs in northern waters are mostly saline... as I am sure you knew already.

## Listen

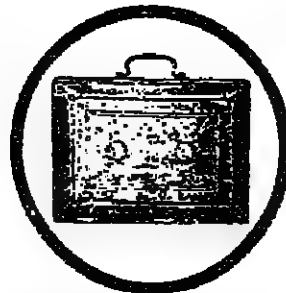
Could this be part and parcel of the IMF's



ECONOMIC VIEWPOINT

BY SAMUEL BRITTON

# Autumn Budget for a new Chancellor



ANCELLOR rose, "Mr. Sir, we have all of us... about the Public Sector Borrowing Requirement than any other... subject. Few people realise that there is a public sector current account surplus of nearly £1bn. and the £13bn. of capital expenditure does not represent a deficit in the Gladstonian sense. Moreover, the PSBR includes £7bn. of interest payments, some £4bn. or £5bn. of which would be seen as refinancing on an inflation accounting basis.

"Modern monetarists also recognise, except when they are making television broadcasts across the Atlantic, that the measure of the Budget deficit should be adjusted for changes in the level of activity—the unadjusted U.S. Budget deficit, which covers far fewer items than our own, is running at \$60bn. Nothing did more to discredit sound finance than the crude Budget balancing attempted in the 1931 Depression which I have no intention of following.

## Indexed bonds

"It would, however, only confuse matters if I were at this stage to redefine the PSBR. Our money supply limit of 13 per cent for 1977-78 and 8 per cent for 1978-79 has overriding priority. The right size of the PSBR is that which can be financed consistently with these targets and without driving up interest rates to a level which kills off investment. I make no apology for not being able to forecast what that size is, and am prepared to make adjustments as the situation evolves.

"The conversion offer to all holders of Government stocks into 3 per cent indexed bonds, and in the case of overseas holders to dollar or SDR bonds of variable maturities should

both reduce the Exchequer cash outlay next year and make inflationary finance distinctly unattractive for the Government which follow us. After consultation with the institutions I shall be announcing my normal April Budget ways of removing the tax deterrents to indexed securities in the private sector. My Right Honourable Friend (the Chancellor of the Duchy of Lancaster) will be elaborating on these and other matters in the debate.

"I should like to clarify the external position a little further. Some extremists believe that the best service our friends could perform would be not to lend us any more money. I do not go so far. But the \$3.9bn. IMF standby and the 'Basle' standby strictly related to any rundown of official sterling balances announced to the House yesterday, are the limit of what we are seeking. Contrary to Press Reports, we are not seeking further credits from the U.S. or Germany, the EEC, or any other source. The Exchange Cover scheme for public sector dollar borrowing is to be terminated from January 1. It is of course still open to any corporate body in the public or private sector to borrow overseas (subject to the newly liberalised exchange controls); but the exchange risks can no longer be borne by the taxpayer.

"An increased flow of overseas investment into the U.K. is the one way of mitigating, and perhaps even avoiding, the fall in U.K. living standards which would otherwise be necessary. There are many things going for the U.K. Dollar wages are by far the lowest of any OECD country outside the Mediterranean area. The pound is standing at somewhere between 10 and 20 per cent below its purchasing power parity. North Sea oil payments will be allowed to have their full effect on the exchange rate consistent with official debt repayments. Thus, if confidence can be restored, sterling investment could be a very attractive proposition.

"The phasing out of price and dividend controls, and their replacement by tighter competition legislation, is important here, as is the ending from next August of specific pay norms while maintaining a broad framework of restraint.

"Nevertheless, confidence is not something that can be created overnight by any action of mine; and there can be no ultimate guarantees about the future political and economic system of this or any other country. But we can make sure that if the mixed economy and the profit motive are to be replaced by some other system, it will be with the conscious approval of an entrenched majority of the electorate, and will not come about through any

anachronism of our constitution. The Speakers' Conference, announced yesterday by the Prime Minister, is thus more important than any budgetary measure I can announce.

"Whether we move to electoral reform, or elect an Upper House with genuine powers, have qualified Parliamentary majorities on major issues or any other change remains to be seen. But there is no future in legislation rushed through this House on the basis of a temporary plurality only to be reversed by another Parliament. (Interruption.) My Honourable Friend may care to reflect that it is the doctrine of the mandate which enabled the Member for Bexley, Sidcup (Mr. Heath) to force the Industrial Relations Act on the country without a sufficient basis of discussion and consent.

"Public spending serves two great purposes: to provide collective goods which cannot be effectively provided in the private market and to redistribute income towards the poorer or more unfortunate members of our society. The demarcation lines are inevitably controversial. But there are vast areas of spending, above all in housing, which cannot be justified on either of these or any other coherent grounds. Nor as a social democrat can I justify sums of well over £3bn. on aid to industry and agriculture. The role of the State is to correct distortions of the market, not to take on the entrepreneurial role. A fundamental reshaping of public spending programmes, which will involve the introduction of a Family Income Guarantee or negative income tax to replace the superseded programmes, will take up the remainder of the decade.

"But I must make a modest start by suspending disbursements on community land acquisition and municipalisation, and by a combined move to reduce council house subsidies and mortgage interest relief. There will be a suspension of council housing starts in 1977-78 pending review of the whole programme. Economies of £1bn. are to be made in discretionary aid to industry, including agriculture; and the National Enterprise Board is now to specialise in temporary aid for industries facing structural decline. Food subsidies are to end next year and transport subsidies cut. Across the board economies in other areas of public spending will save another £1bn., making £3.5bn. of savings in all.

"Expenditure on child benefits of all kinds is to be doubled as a first move to concentrating help where it is most needed. Short term social security benefits will be subject to tax and there will be no uprating in 1977-78. Nevertheless, allowing for some increase in Supplementary Benefit payments, I expect social security payments to increase by nearly £1bn.

## Erosion

"Indirect taxes now account for 14 per cent of total tax receipts, a fall of 5 per cent since 1970 — most of which took place under the Conservative Government. To make up for this erosion, I am introducing selective increases in VAT, raising the specific duties on drink, tobacco and petrol; and these duties are to be linked to the Retail Price Index and recalculated every quarter. The aim of these measures is not to

raise the tax burden, but to stop the drift towards ever higher direct taxation.

"The conventional calculations of the effects of these measures on the RPI are in the Financial Statement. They will, however, be dwarfed by the movement of sterling. Our aim is to reverse the recent drift, not by intervention, but by internal policies; and the Bank of England has been instructed to confine its intervention in the foreign exchange market to operations on which it expects to make a profit. (Voice: That would make a change.)

"It would be prudent to defer a decision on the 1977-78 PSBR until April. What I can announce is that the tax thresholds and allowances, and the starting points of the higher rates, will all be linked to a new price index which will exclude terms of trade effects. What I have said means that if the tax thresholds have to be changed for revenue purposes, this will be done openly and not through inflationary stealth. My Right Honourable Friend (the Secretary of State for Employment) will be explaining the relevance of the new index for wage negotiations in the post-Phase Two period at a special conference of union executives.

"There are a few important changes which I can announce now. The maximum rate of marginal tax on earned incomes is to be reduced to 50 per cent, on investment income to 60 per cent. On a mechanical calculation the revenue loss from this change will be under £0.5bn., less than 1 per cent of total tax proceeds. In fact, I expect the Revenue to gain from the greater earnings and the reporting of incomes, in the ranges concerned. The Man-

power Services Commission is opening a retraining branch for tax consultants.

"I am also re-affirming our commitment to a wealth tax to be introduced in 1978 in conjunction with a re-definition of investment income and capital and capital gains to take account of the inflationary elements. There can be no return to Death Duties which were avoided by gifts inter vivos or discretionary trusts. But we intend to convert the Capital Transfer Tax into an accessions duty to be paid by the beneficiary, to encourage the dispersion of wealth rather than its concentration in the hands of the State.

## Thresholds

"The first major charge on the Revenue will be the raising of real tax thresholds, after indexation, to eliminate the overlap between the tax and social security systems. How far I can go in this direction next April must depend on my progress on financing the PSBR. But I have hopes of at least raising the children's tax threshold to above the Family Income Supplement level, which would cost £1bn. It is of course far more expensive to provide relief in the broad middle of the income tax bands than at the upper and lower extremities where the real disincentives and anomalies are to be found.

"Mr. Speaker, some of the items in the new Government programme, particularly those aimed at restoring confidence and incentive, may go against the grain of conventional political wisdom. But we have preferred to take a risk here rather than with output, employment and living standards. I am confident there will be a majority in this House for our measures."

## Letters to the Editor

### onal

R. M. Holloway,  
The Bath Club,  
Brook Street, W.1.

### Blurred society

From The Director,  
Aims for Freedom and Enterprise.

Sir,—One does not wish to trample on an olive branch, but a pleasant and effective man like Mr. R. S. Scott, in his letter (November 9) does bring out the fallacy underlying so much discussion on co-determination in particular and industrial relations in general. It is concerned with this awkward word "power".

Intelligent people will surely not dispute that management should encourage trade unions to achieve their legitimate purposes and that organisations should have policies which encourage employees to make the maximum use of their intelligence and experience—in other words, genuine participation. But this does not mean that free enterprise can easily exist, if you get rid of property rights. If I start a sweet shop, I have a duty to involve the assistants I hire. But the shop is mine, likewise a company belongs to the people who own it, and its Board should be elected by its shareholders. Workers like consumers have important rights, but these are not the same as property rights.

We do, I am afraid, live in a "blurred" society, a society in which you have to blur things in order to work together. This has led to a number of dangerous situations in this country and in Germany and elsewhere. The Americans, who have practised genuine participation more than anyone else, are so far, more aware of this.

Michael Evans,  
P.O. Box 443,  
5, Plough Place, Fetter Lane, E.C.4.

### Construction's decline

From The Chairman,  
Devon and Cornwall Emergency Committee for Construction.

Sir,—Donald Maclean drew attention (November 6) to present pressure from local authorities for Government to allow them greater freedom to allow them greater freedom to switch spending from capital to revenue items.

This country is presently suffering from excessive current expenditure which has grown to frightening proportions in recent years. The corollary has been continual pressure against capital investment which in all sectors of the economy has meant that we have lost the stability and resources that developing the value of our capital assets could bring in an inflationary world.

I trust that the Treasury and the Department of the Environment will resist the local authorities' proposals which would only increase the serious imbalance in our spending patterns and that they will seek to reverse these trends and ensure that central Government also directs a proper proportion of our income, whether earned or borrowed, to capital investment.

Nowhere can the present imbalance in public sector spending be seen more clearly than in the accelerating decline in the field of construction which contributed the lion's share of our capital investment programme in the past and has been responsible over the years for the existence

of a great majority of this nation's long term capital assets. We must adequately maintain that which we have and we must ensure that alteration and development to suit modern needs and future requirements is carried out before we concern ourselves with the luxuries of life in the public sector. We have too long been pre-occupied with the pursuit of ever higher standards in services and working conditions beyond our national means.

### Neither malign nor fanatic

From Mr. A. Toop.

Sir,—Lord Justice Salmon is reported (November 6) as expressing surprise in a speech in Liverpool that the policy of deporting recent coloured immigrants or "attempting to bribe them to leave this country" is still being advocated by "a few malign and dangerous fanatics".

The face and character of an increasing number of British cities have been radically changed over the past few years by immigration from Asia, East Africa and the Caribbean. So far nobody has asked my opinion as a citizen and voter on this important development in our national life. Now that the importance of the issue has been recognised by the Government's race relations legislation, I have thought it appropriate to write and speak on a number of occasions in favour of alternative solutions, including planned and phased repatriation of at least important minorities of these recent immigrants.

### Bedford railway electrification

From The Honorary Secretary,  
National Council on Inland Transport.

Sir,—I have been a supporter of railway electrification ever since the Southern Railway extended its electric trains over the Windsor branch more than 40 years ago. I was co-author a few years ago of a booklet "Electrify Now". I regret, however, that I can find little enthusiasm for the new Bedford project (November 9). Its only advantage is a small gain of time (which should be possible with pepped up diesels anyway), surely out of proportion in the present national economic context.

There is a case for continuing electrification and for keeping the teams of workers together and in employment, but this line is segregated from other electrifications and cannot be justified on the pretext of completing a network. May I suggest alternatives with a higher priority? (1) Blackfriars to West Hampstead (eventually beyond) for extension of Southern Region trains (closure of the surface station at Holborn Viaduct and its conversion to other uses would be a useful bonus). (2) Birmingham to Lichfield and Burton-on-Trent (interlaced with existing electric lines). (3) Liverpool to Manchester (ditto). (4) Manchester and Liverpool to Preston (and to Blackpool) to eliminate mixed working. (5) Glasgow to Edinburgh. (6) Colchester to Ipswich and Harwich (elimination of diesel trains between Ipswich and Liverpool Street), &c.

Moreover, peaks apart, who wants to go to Moorgate? The Brokers Council should bring one or two who might want to travel that way (rather than to the West End) can use the existing exactly parallel London Transport trains. The only good thing that might be suggested in association with the proposal is the diversion of the Cambridge line diesels away from Liverpool Street into what would become an under-used St. Pancras, using the old Great Eastern Railway way years ago) the existing Tottenham and Hampstead railway. This would avoid the need

for some of the costly additions at Liverpool Street into which an inquiry is due to begin on November 16.

Roger Calvert,  
Wickstead House,  
High Road, N.22.

GENERAL  
Prime Minister, accompanied by senior Ministers, begins two-day visit to France for talks with President Giscard d'Estaing.

Index of industrial production for September published.

Institute of Directors' annual convention: Royal Albert Hall, SW7. Speakers include Mrs. Margaret Thatcher, Opposition leader, Sir Richard Dobson, chairman, British Leyland, and Sir Michael Swann, BBC chairman.

Mr. Eric Varley, Industry Secretary, is guest speaker at Chemical Industries Association annual dinner, Grosvenor House, W1.

Financial Times Industrial Architecture Award lunch, Goldsmiths' Hall, EC2.

## To-day's Events

International Air Transport Association annual meeting ends, Singapore.

Lord Carron addresses Institution of Structural Engineers meeting on "Colonialism to Internationalism," Royal Commonwealth Society, WCL.

Financial Times two-day World Insurance conference ends, Royal Lancaster Hotel, W2.

Confederation of British Road Passenger Transport annual dinner, Connaught Rooms, WC2.

PARLIAMENTARY BUSINESS  
House of Commons: Consideration of Lords amendments to Aircraft and Shipbuilding Industries Bill.

Commons Select Committee: Race Relations and Immigration. Subject: The West Indian Community. Witnesses: Croydon CRC.

House of Lords: Rent (Agriculture) Bill, report stage. Sexual Offences (Amendment) Bill, third reading. Energy Bill, consideration of Commons amendments.

OFFICIAL STATISTICS  
Finished steel consumption and stock changes (third quarter, provisional).

COMPANY RESULTS  
Boots (half year). Chloride Group (half year). Coats Patons (half year). Head Wrightson (half year). Royal Dutch-Shell (third quarter). W. H. Smith and Son (Holdings) (half year). Smiths Industries (full year).

COMPANY MEETINGS  
Adwest, Dorchester Hotel, W, 12. Dalgity, 10, Upper Grosvenor Street, W. 12. Dover Engineering, Winchester House, EC. 11.30. McLeod Russell, Victoria House, Vernon Place, WC. 12. Maldenhead Investments, Birmingham, 11. Telefusion, Connaught Rooms, WC. 12.30. Trafford Park Estates, Manchester, 12. Wallis (Costumiers), Connaught Rooms, WC, 11.30.

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# COMPANY NEWS + COMMENT

## Sainsbury jumps to £10.7m. in first half

WITH SALES increasing by 15.3 per cent to £236.2m. showing a significant gain in volume and representing a further improvement in the group's market share—gross profits of J. Sainsbury, the retail food concern, expanded from £5.74m. to £10.7m. in the 28 weeks ended September 20, 1976. Margins went up from 2.1 per cent to 5.2 per cent.

For the second half Mr. J. D. Sainsbury, chairman, warns that results may be affected by the increasing inflationary pressure on food prices and the considerable economic uncertainties which will make for difficult trading conditions before the end of the current year.

Mr. Sainsbury reports that retail margins in the first half show a return to more normal levels after the difficult trading conditions and cost pressures which were particularly severe in the first half of last year. Greater operating efficiencies throughout the business have contained costs and allowed an improvement in the competitive position.

Three new stores opened during the period and full benefit was obtained from the 13 opened in the second half of last year. A further seven stores are planned to open before the end of the year, as part of a total company investment in the past two years of over £50m.

A limited programme of sale and leaseback continues and has already contributed to a substantial improvement in liquid position, members are told.

The interim dividend is raised from 1.65p to 1.85p net—the total for 1975-76 was 4.9p paid from profits of £15.42m.

28 weeks  
1976 1975  
Sales £236.2 213.7  
Gross profit £10.7 5.74  
Operating profit £3.3 2.1  
Net profit £2.3 1.6  
Dividend 1.85 1.65  
Includes VAT of £2.28m. (1975-76)  
Statement Page 21  
See Lex

## John Bright first half downturn

TURNOVER of yarn and fabric manufacturers John Bright Group was little changed at £21.5m. in the half year to October 2, 1976, while pre-tax profit contracted from £604,882 to £415,801. The figure for the year to March 31, 1976 was £1.18m.

As before the interim dividend is 0.95p per 25p share. Last year's total was 3.2p net.

## HIGHLIGHTS

The much stronger trend that was apparent in the second half at Sainsbury has continued into the first six months of the current year, while at General Accident the underwriting performance in the U.S. continues to recover. At Hill Samuel profits in the first half are said to be slightly lower than in the comparable period while Lex also takes a look at Graff Diamonds following the decision of the Board to buy the shares not already owned. Chubb is some 17 per cent ahead after six months but a large slice of this is attributable to exchange gains while Readicut is unlikely to match the 36 per cent growth seen last year with costs rising sharply in the final six months.

## Westward record £0.69m.

ON A TURNOVER up from £3.05m. to £4.11m. pre-tax profit of Westward Television expanded from £294,885 to a record £685,033 in the year to July 31, 1976, subject to Eschequer Levy of £206,829 (nil). At half-way profit was up from £273,493 to £280,814. A Treasury permitted final dividend of 1p raises the total share to 1.35p net per 10p share—the largest dividend paid by the company.

The chairman, Mr. Peter Cadbury, criticises the rate of tax which added to the Eschequer Levy takes 84 per cent of the profit. "Such penal taxation, which amounts almost to confiscation, must have a very discouraging effect on companies and individuals," he says.

The future, says Mr. Cadbury, looks even better, as the sales figures for the current month show a considerable increase on the comparable figures of a year ago. He warns, however, against too much optimism, and points out that the future in this industry is always unpredictable, as it is dependent, not only on the health of the national economy, but also on the whims of Government.

28 weeks  
1976 1975  
Turnover £4.11 3.05  
Trading profit £685,033 294,885  
Eschequer Levy £206,829 nil  
Net profit £478,204 294,885  
Dividend 1.35 1.00  
Includes VAT of £1.28m. (1975-76)  
Statement Page 21  
See Lex

comment  
Westward's 83 per cent. increase in pre-tax profits is hardly surprising, given the sharp recovery in advertising revenue which has

again deferred until the year's results are available. Last year a final of 0.8125p net per 25p share was paid.

	Half year 1976	Half year 1975
Turnover	4,061,053	4,112,719
Trading profit	143,374	279,822
Less Escheq.	4,580	14,430
Tax credit	69,000	81,400
Overseas tax	—	3,300
Minorities	9,466	47,120
Dividend	79,000	140,120
Profit	138,854	185,892

## Davies & Newman to hold profit

TRADING PROFITS of Davies & Newman increased from £0.74m. to £0.90m. in the half year ended June 30, 1976, but reflecting heavier aircraft leasing charges of £1.51m. against £0.89m. the loss before tax shows an increase from £0.76m. to £1.41m.

Chairman, Mr. P. E. Newman, points out that the first half usually shows a loss as the period embraces only one of the five peak holiday months so important to the aviation business. For the four year forecasts a group profit or loss favourable than the £1.36m. pre-tax reported for 1975.

Referring to the shipbroking side, the chairman says that although there has been some increase in costs, commission income has remained steady and should continue so for the rest of the year.

comment  
Davies and Newman appears to have boosted its half-time trading profits—up by 30 per cent—albeit at the expense of its pre-tax level. Here, the losses increased by 86 per cent. This is explained by the inclusion of ten new aircraft leasing charges up by 68 per cent and the depreciation charge up by 28 per cent. This expansion should begin to pay off in the second half of the year—taking the holiday season into view which is reinforced by the third-quarter figures which evidently show a very substantial increase in the pre-tax return. With freight rates still lurching along the bottom, the group's shipbroking side seems to have little immediate cause for breaking out of its current depression. But, the chairman's 83p are yield-cation. Motor Cycle News, Angling Times and Garden News are now the leaders in their respective fields.

	First half 1976	First half 1975
Turnover	30,242	18,482
Trading profit	78	61
Depreciation	1,214	81
Aircraft leasing	1,177	115
Profit before tax	28	205
Less before tax	1,408	78
Tax credit	721	28
Minorities	2	2
Attributable	882	388

comment  
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## Mountview Estates

The directors of Mountview Estates report that profits are high at about the same level as last year and the results for the year should be no less favourable than those for the year to March 31, 1976, when pre-tax profit was £725,311.

The interim dividend is lifted from 0.35p to 0.45p net per 5p share, and a total of not less than last year's 1.0575p is forecast.

A SHARP fall in pre-tax profit from £0.9m. to £0.49m. is disclosed by hand tool manufacturers, RCF Holdings for the 12 months to July 31, 1976, after £0.12m. (£0.3m.) at half-way.

The substantial reduction in sales volume continued in the second half, mainly as a result of the short-fall in export orders received.

However, despite adverse worldwide trading conditions having persisted, Mr. J. Godfrey, chairman, reports a degree of improvement in the second half compared with the first.

Stated earnings per 25p share for the year are 3.50p, against 6.89p. The dividend is 1.5625p for a total of 2.4375p (same), absorbing, with preference payments, £158,153.

Limitations of cash resources coupled with the exorbitant cost of borrowing and lack of confidence for the future have served as no encouragement for capital investment—nevertheless, within available resources the company has continued to invest where saving in labour can be achieved, and the warehousing facilities within the Birmingham manufacturing complex are being extended.

A programme has also been laid down to update the equipment within the data processing department to provide an increased range of services for manufacturing and wholesaling divisions.

There has been a reduction in bank borrowing due to effective credit control and an increase in borrowing facilities has been negotiated which should adequately cover medium-term needs.

	1976-75	1975-74
Turnover	16,258,725	15,817,780
Trading profit	422,385	621,118
Financial credits	72,288	73,000
Less before tax	22,765	461,614
Tax	22,765	461,614
Net profit	22,765	461,614

The slow improvement in the



Mr. John Sainsbury, chairman of J. Sainsbury.

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total last year	Total this year
John Bright	1.85	Dec. 17	0.95	1.85	1.85
Cater Ryder	4.55	Jan. 1	4.55	4.55	4.55
Chubb and Son	1.23	Dec. 7	1.12	1.12	1.12
Davies and Newman	2.38	Feb. 1	2.18	2.18	2.18
East Midlands Allied	1.25	Jan. 1	1.06	1.06	1.06
Harwell	1.0	Jan. 31	1.0	1.0	1.0
Hill Samuel	1.5	Jan. 4	1.37	1.37	1.37
King and Shaxson	1.1	—	0.8	0.8	0.8
Mountview Estates	0.45	March 28	0.35	0.35	0.35
Readicut	0.4225	Dec. 17	0.34	0.34	0.34
RCF Holdings	1.52	Jan. 8	2.58	2.58	2.58
Wm. Reed	1.35	Dec. 10	1	1	1
J. Sainsbury	1.82	March 7	1.85	1.85	1.85
Scottish and Mercantile	1.7	Dec. 14	1.62	1.62	1.62
Westward	1.35	Dec. 13	1.0	1.0	1.0

Dividends shown per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

## Strike costs EMAP over £150,000

AFTER A loss in excess of £150,000 resulting from a strike which stopped production of all group newspapers and magazines for a week, pre-tax profit of East Midlands Allied Press for the 38 weeks to October 9, 1976, emerged at £384,783 against £315,843. Turnover expanded from £29.4m. to £27.8m.

comment  
Chairman Mr. Frank Rogers says the continuing fall in the value of the pound has resulted in the increased cost of newspaper. The rise in MLR will also add to costs, and it is therefore difficult to forecast the probable level of profit for the year. Last year's profit was £224,200.

	38 weeks 1976	38 weeks 1975
Turnover	27,800	29,400
Trading surplus	62,223	59,118
Investment income	1,528	10,423
Depreciation	18,814	10,423
Interest	6,834	7,000
Profit before tax	34,707	56,118
Taxation	14,857	10,423
Net profit	19,850	45,695

comment  
EMAP's Newbury Publications, which again contributed the major part of group profits. As forecast, Garden News has now achieved the position of market leader. The three weekly publications, Motor Cycle News, Angling Times and Garden News are now the leaders in their respective fields.

## Downturn of £0.4m. at RCF—dividend held

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The slow improvement in the

## Readicut up 30% after six months

AN ADVANCE of some 30 per cent, to £2.18m. in profit, before tax, is reported by Readicut International for the six months ended September 30, 1976; but Mr. Frank Newhouse, chairman, warns that he does not expect the full year's results to show as high a percentage increase as this, due to pressure on margins from cost increases.

With the rights issue in July the directors forecast profits in profit of the £2.6m. achieved in 1975-76, they intended to pay total dividends of 1.42p net on the enlarged capital.

The interim dividend is now being raised from 0.3375p to 0.4225p—the total for the previous year was 1.15125p.

Net profit emerged at £1.94m. compared with £1.4m. in 1975-76, a jump in the current year. The six divisions, retail, yarns and textiles all produced higher profits than last year. A reduction in others division arises from the expected full year's available to eliminate the loss-making operations of Plasticisers and allied companies: in the full year to October 31, 1976 they incurred losses totalling £541,000. They are now operating profitably and it is hoped that they will earn a profit for the complete current year.

comment  
Readicut is unlikely to repeat the 1975-76 36 per cent. profit jump in the current year. The second half will bear the brunt of new wool and textile price increases of 30 per cent. The July right issue has already been notified or is in the pipeline. This will up the normal profit split of 30:70 between the two halves and could leave final figures around 25:75 pre-tax, despite steady growth in all the textile divisions and with good export sales levels. The new acquisition Plasticisers division should come back into profit by the year-end, but a high overdraft here, plus the first in stock costs, suggests interim charges of 60 per cent. up for the whole year. The July right issue came at an opportune moment for the company when stock costs rising fast, the £3.3m. rise would be 11 per cent. of £23.3m. capital expenditure programme. With the permitted 10 per cent. increase dividend, the yield would be 11 per cent. on a share price of 20p and would be covered 2.7 times. The whole of the reduction in

## Development Secs. share bound—SE inquiry

BY MARGARET REID

A Stock Exchange inquiry is expected to be announced to-day into the sharp leap of 83p to 500p yesterday in the shares of Development Securities, the group with large McAlpine family interests which sold the Dorchester Hotel to an Arab group for £2m. cash in June.

After the bound in the share price, the Stock Exchange suspended quotation at the request of the Board, which has also asked for the inquiry.

Later, the directors said: "Discussions currently taking place may lead to a satisfactory proposition to shareholders, but no announcement is likely to be made for a number of weeks." There was no comment on the company's belief about suggestions that a takeover bid, perhaps from an institution, might be in the offing.

Following the sale of the Dorchester, the Board has considered various alternatives for the future of the company, a substantial part of whose assets now consist of cash. The statement also said:

One of the Development's assets is a shareholding of some 2½ per cent in Prudential Assurance. It also owns a marina at Chichester and certain building interests. A circular issued in July, after the sale of the Dorchester said that

there is no intention of merging the company with Newarhill, a holding company for Sir Robert McAlpine and Sons."

The same circular then said: "The directors had not yet made specific plans for the disposal of the sale proceeds but would be looking for 'investments which are capital rather than labour intensive, with proven management and operating in fields akin to those in which the group is presently engaged.' The value of short-term loans and deposits was put at the time as some £14m. a figure which, however, is little changed. This does not include the share stake in the Prudential.

Apart from yesterday's modest rise, the shares had been rising strongly previously, having a gain up from 370p at the beginning of this month to 500p before the inquiry.

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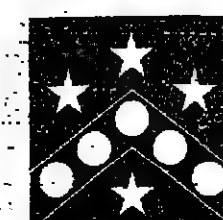
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## Nine months' results

### Interim Statement

The results for the nine months ended 30th September 1976, estimated and subject to audit, are compared below with those for the similar period in 1975, which are restated at 31st December 1975 rates of exchange; also shown are the actual results for the full year 1975. It must be emphasised that the results for the interim period do not necessarily provide a reliable indication of those for the full year.

	9 months to 30.9.76 Estimate £ millions	9 months to 30.9.75 Estimate £ millions	Year 1975 Actual £ millions
Net written premiums—			
General Business	470.3	347.8	471.7
Investment Income	41.8	30.7	42.4
Underwriting Results	-14.5	-20.6	-35.7
Long Term Insurance Profits	1.4	1.2	1.7
Loan & Bank Interest	28.7	11.3	18.4
Profit before Tax, Exchange and Minority Interests	1.3	1.2	1.6
Exchange Rates:			
U.S.A.	\$1.68	\$2.02	\$2.02
Canada	\$1.64	\$2.06	\$2.06

Net written premiums and investment income adjusted to exclude effects of currency fluctuations show increases of 21.3%, and 21.1% respectively.

United Kingdom underwriting produced a loss of £2.2 million in the third quarter, giving a total loss of £3.6 million for the nine months (1975, £3.6 million loss) on written premiums of £148.2 million (1975, £126.0 million). The improved experience in the Motor Department was maintained but Householders business suffered a setback principally stemming from the incidence of subsidence claims in the third quarter estimated to cost £2.4 million.

In the United States written premiums for the nine months were \$313.9 million (1975 \$263.4 million) and the operating ratio was 104.88%, as compared with 107.41%, for the same period in 1975. A further improvement was achieved in the third quarter when the underwriting loss was reduced to £1 million giving a total of £10.6 million for the nine months.

Elsewhere earlier trends continued into the third quarter with underwriting profits in Australia and Brazil, losses in Europe and better results in Canada.

**General Accident**

General Accident Fire & Life Assurance Corporation Ltd.

World Headquarters. General Buildings, Perth, Scotland.

July 20 1976



























## FINANCIAL TIMES AWARD 1976

## Industrial Architecture

award goes this year to the  
Technical Service Centre,  
Horn, Herts

## ANEL

celebrates the TENTH ANNIVERSARY of the Times Award for an outstanding work of architecture.

It is open to all, both architects and engineers, and with the design of industrial works which can better their town or country an outstanding contribution to creating a better industrial environment.

The Financial Times welcomes this year's applications.

The assessment panel comprises two architects, selected for eminence in practice and their interest in the landscape and appointed with the co-operation of the Institute of British Architects, together with one engineer.

The architect assessors were H. T. Cadbury-RIBA and Peter Falconer RIBA. The industrial assessors were Sir Colin Anderson, KBE, (late Chairman of the Arts Council) and an Honorary Member of the Institution of Mechanical Engineers.

The award is to be presented by the Editor at a luncheon to be held at Goldsmiths' Hall, Lord Gibson, Chairman of the Financial Times, will preside.

## of the Assessors

In competitions, competence is not always enough. At entries which reached the final round should be more than an orderly and appropriate answer: they should be a special and significant merit which could be judged and commended. In examining each scheme we have entrants had identified and tackled (and solved) various problems. Had they:

- 1. created a massive building or object in a landscape
- 2. improved the quality of the site or neighbourhood.
- 3. created a technical improvement.
- 4. found a new way of regarding a particular problem.
- 5. made a special contribution to life in the work place.
- 6. created a building economical in maintenance and costs.

These could be divided generally into three

1. special building or piece of machinery as an object in a landscape: e.g. gas distribution plants, cooling towers,

2. purpose-made, tailored-to-fit building, often with an element of prestige: e.g. a factory, laboratory or office building, or use sometimes with suites of offices.

3. warehouses built to let. These occurred in new towns or industrial estates.

They varied from the very small, at village scale, to large buildings which formed a centre for work for several thousand people in a landscape.

## INNER

## Technical Service Centre

Horn, Herts.  
Building for an organisation which undertakes development projects, usually confidential, for industry in England and abroad.  
The building is a single floor of laboratories and offices set on a platform which is sunk into the chalk landscape. Under the platform is used for access, car parking and the many facilities are suspended from the platform servicing the working areas above. The easy acceptance of the elements of industrial architecture and technology, the assembling of parts, the form to be seen and clarifying their relationship to colour; unifying them. It has the impact of a modern building in its economy of means points the way to a new architecture with British resources.

The assessors recommend this project for the Award for 1976.

Designers: Piano & Rogers, Architects

SURVEYORS: Gleeds

MECHANICAL ENGINEERS: Felix Samuely & Partners

STRUCTURAL ENGINEERS: Hancock Design Co-Ordinates

MECHANICAL CONTRACTOR: G. Carter (Kings Lynn)

## ENDED

## J. Willis, Hartcliffe Project

A unit and warehouse to deal with part only of the factory's total production and an administration building to contain its entire headquarters organisation. The buildings are constructed of 'Corten' steel, the natural rich will weather to a dark brown colour. There is a free of servicing, the whole interior being lit and largely artificially lit. A high standard of accommodation is provided for the staff with recreation rooms and a supermarket.

The building is finished throughout in a pale cream colour, but when extended everywhere without a rather clinical atmosphere. This is especially true of the long subterranean, artificially lit tunnel which connects the two buildings.

The concept is handled with great professional skill. The pavilions of glass and steel are set in a newly created landscape. A demonstration of how the building can be a monument as classical and simple to which nothing can be added and in any way.

Designers: Skidmore, Owings, & Merrill, Architects (Chicago)

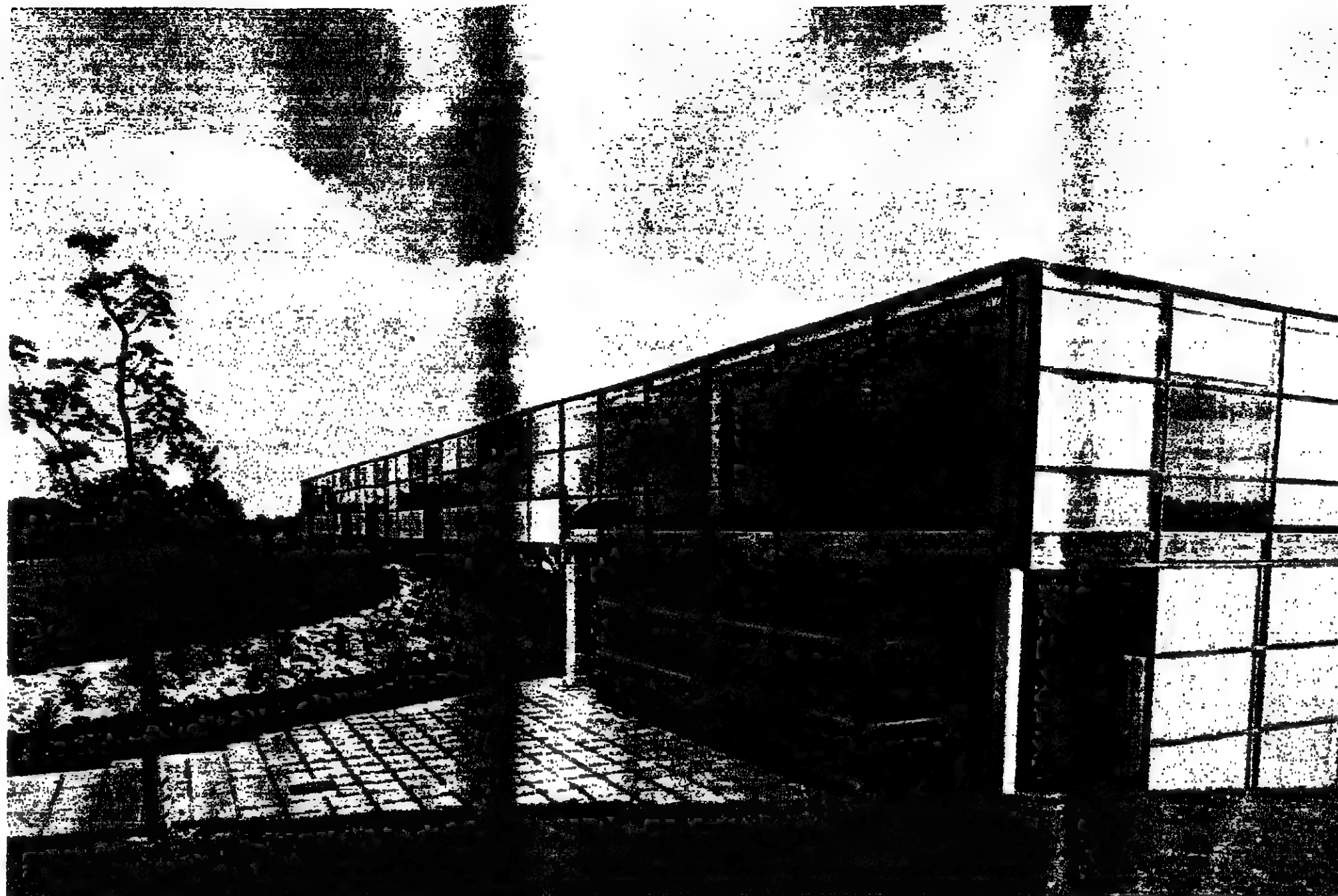
MECHANICAL CONTRACTOR: Yorke Rosenberg Mardall, Architects (London)

SURVEYORS: Gleeds

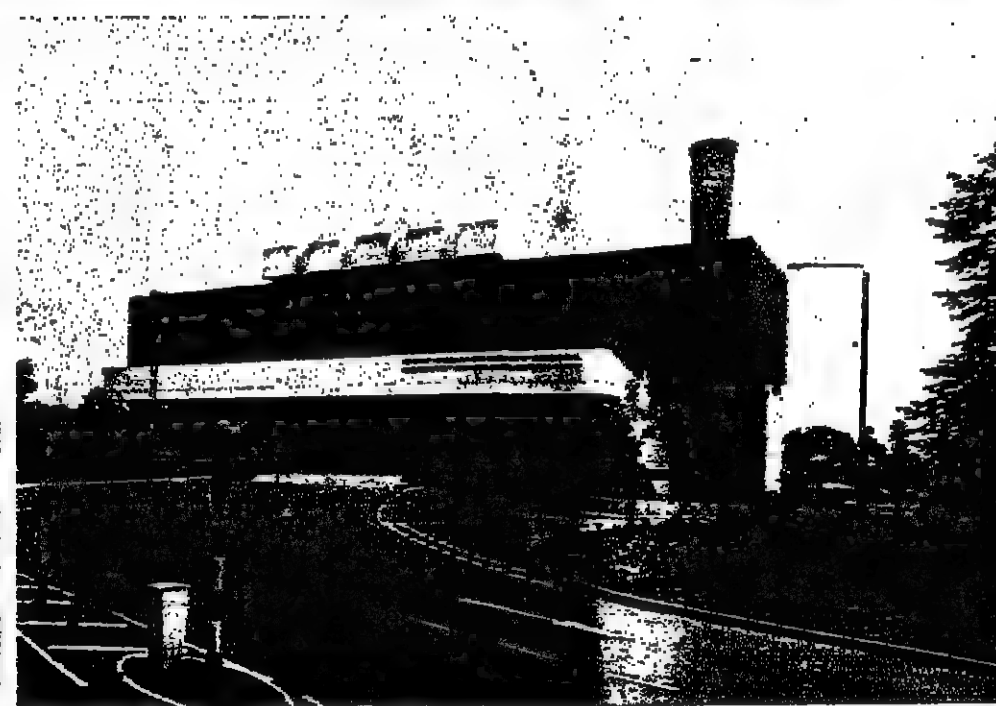
MECHANICAL ENGINEERS: Felix Samuely & Partners

STRUCTURAL ENGINEERS: Steenson Varming Mulcahy & Partners

MANAGEMENT CONTRACTOR: John Laing Construction



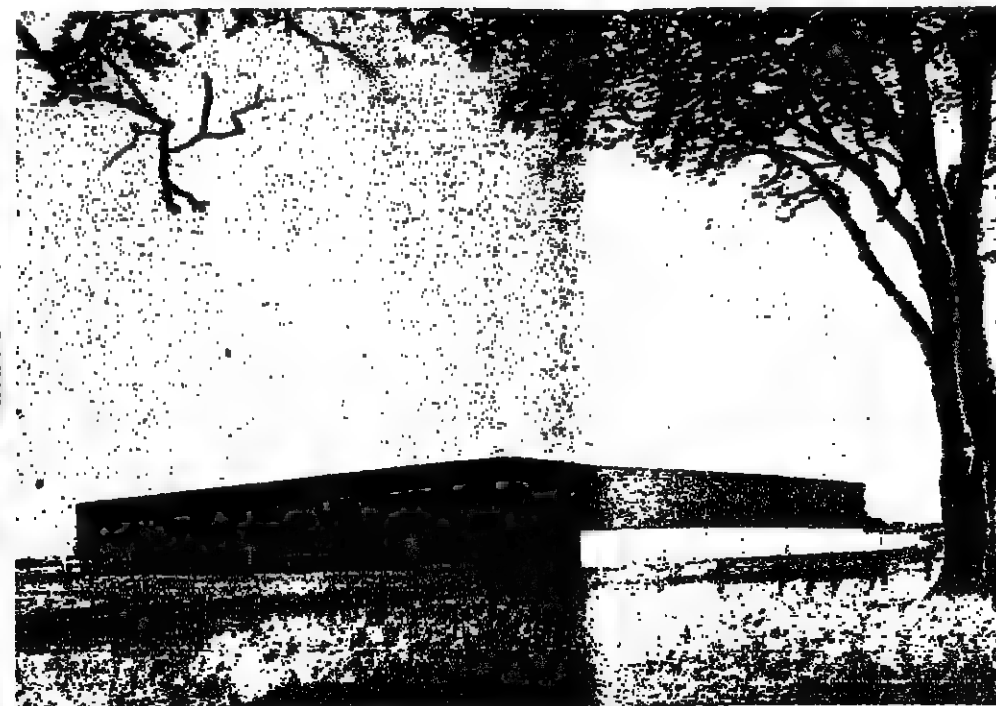
W.D. & H.O. Wills, Hartcliffe Project Bristol



Coventry Waste Reduction Unit



Habitat Warehouse, Office & Showroom Complex Wallingford, Berkshire



Oldhall East Block A Irvine New Town

## Coventry Waste Reduction Unit

The enclosure of a massive piece of machinery particularly well sited in a hollow and seen mainly as a vigorous silhouette above the surrounding trees, of grand scale and with careful and straight-forward detailing; a courageous solution to a difficult problem.

DESIGNERS: Harry Noble, City Architect and Planning Officer, in succession to Terence Gregory

BUILDER: Taylor Woodrow Construction (Midlands)

## Habitat Warehouse, Office &amp; Showroom Complex Wallingford, Berkshire

A direct and logical layout and an original design solution, particularly in the handling of the asbestos envelope covering the roof and walls, and the curved junctions between them. The interior spaces and structural frames are economical and elegant.

Architecturally less successful on the 'services' side.

DESIGNERS: Ahrends Burton & Koralek, Architects

STRUCTURE & SERVICE ENGINEERS: Ove Arup & Partners E.E.D.

QUANTITY SURVEYORS: Monk Dunstone Mahon & Scars

BUILDER: Myton

## Oldhall East Block A

## Irvine New Town

A simple, well proportioned standard factory built to let by the New Town Corporation. The occupier is yet to be found. We considered this concept of a standard factory available for immediate occupation, for storage or manufacture, to be commendable. The design and execution is most straight-forward and succeeds well, but in this particular case we considered the service yard facilities would be inadequate for many users.

DESIGNERS: Irvine Development Corporation:

Chief Architect/Planner, J. K. Billingham

CHIEF ENGINEER: W. G. Conchie

CHIEF QUANTITY SURVEYOR: P. R. Thompson

BUILDER: Costain Construction

## Special Mention

In addition to these five buildings we would like to draw attention to a particular entry: a builder's warehouse (architects: Design Team Partnership) in the village of Sheering in Essex. It illustrates how an industrial/commercial building can merge into a village as successfully as a barn.

While it is realised that the entries were conceived before the energy crisis, it is disappointing to find that little or no regard has been paid to energy conservation and reclamation of process heat, the savings on which can amount to more than rent and rates.

It now seems that the policy of isolating all industry away from town centres or residential areas is being held in doubt. This means that small and medium sized industrial buildings could be integrated nearer to the town centres. The entries to the award indicate that far from demeaning such areas, they would be enhanced.

Photographs by  
GLYN GENIN AND FREDDIE MANSFIELD



## THE JOBS COLUMN

## New managerial salary indicators

BY MICHAEL DIXON

THE ADJACENT large table is the median (the person half up, half down) of the salary indicators. It is compiled from the Reward survey which is based on the people who registered as job candidates with the Government-supported Professional and Executive Recruitment agency during the four months which ended with September.

The figures are for the candidates in the 33-37 age group from all parts of the country, and are based on a total of about 3,150 people (the corresponding period of 1975 are based on roughly 2,800). The number of candidates in each occupational category ranges from about 200 in the cases of sales representatives, technical representatives, sales managers, and accountants, down to 13 in the cases of economists and statisticians, and only a handful more of physicists and metallurgists. This no doubt helps to explain the waywardness of the comparative pay figures for economists and statisticians.

As always, the table gives figures for the lower quartile (the salary of the PER candidate three quarters of the way down the salary ranking for the particular job category), the median (the person half up, half down) of the salary indicators, and the upper quartile (the person a quarter of the way down). But this Reward survey which is based on the people who registered as job candidates with the Government-supported Professional and Executive Recruitment agency during the four months which ended with September.

creased by 4 per cent. The comparators also recommend adjustments to reflect the size of employing company.

For people working for international, nationalised or big national concerns, the recommended size adjustment is an increase of 16 per cent, giving a rise of 20 per cent. in all. For a regional company with 80 to 300 salaried staff, a 3 per cent. addition is suggested—making 7 per cent. in all. For employers, excluding professional partner-salaried staff, the compilers recommend a 15 per cent. reduction—giving a net decrease of 11 per cent.

BOB THOMAS, of the independent Ashridge Management College in Hertfordshire, is having difficulty in finding the right candidate to join the college as a tutor in marketing studies. The tutor will manage a number of the 120 courses run annually at Ashridge, teach in general as well as marketing programmes, and engage in applied research and consultancy. Someone with an appropriate degree, and experience of marketing management and teaching would be the ideal. Salary range £5,500-£8,300. Inquiries to Mr. Thomas at Berkhamsted, Herts HP4 INS—telephone Little Gaddesden 3491.

Age group 33-37	All in sample			Professionally qualified only		
	Lower quartile (1975)	Median (1975)	Upper quartile (1975)	Lower quartile (1975)	Median (1975)	Upper quartile (1975)
General managers	4,500 (4,000)	6,000 (5,000)	7,500 (7,000)	5,200 (4,750)	6,000 (6,000)	7,500
Admin. managers	3,000 (3,100)	3,500 (3,650)	4,300 (4,350)	—	—	—
Company secretaries	4,250 (3,000)	4,800 (4,000)	5,500 (4,500)	4,350 (3,600)	5,000 (4,500)	5,800
Accountants	3,800 (3,000)	4,600 (3,800)	5,750 (5,000)	4,150 (3,600)	4,950 (4,200)	5,750
Cost accountants	3,600 (3,050)	4,500 (3,700)	5,300 (4,200)	3,800 (3,750)	5,000	6,700
Computer managers	4,200 (4,000)	5,200 (4,800)	6,300 (5,800)	—	—	—
Systems analysts	3,900 (3,100)	4,550 (4,100)	5,400 (5,000)	—	—	—
Programmers	2,600 (2,600)	3,500 (3,300)	4,400 (3,800)	—	—	—
O & M/work-study officers	3,500 (3,000)	4,000 (3,550)	4,500 (4,000)	3,600 (3,200)	4,000 (3,800)	5,000
Personnel execs.	3,500 (2,900)	4,450 (3,850)	5,000 (4,750)	—	—	—
Training execs.	3,500 (3,100)	4,000 (3,800)	5,000 (4,750)	—	—	—
P.R. executives	3,200 (2,750)	4,200 (3,700)	5,300 (5,000)	—	—	—
Marketing managers	4,600 (3,600)	5,250 (4,600)	6,800 (5,300)	4,750 (3,750)	5,000 (4,750)	7,000
Sales managers	3,800 (3,500)	4,500 (4,050)	5,500 (5,000)	—	—	—
Sales office managers	3,250 (2,700)	3,600 (3,050)	4,250 (3,500)	—	—	—
Sales representatives	3,000 (2,500)	3,500 (3,000)	4,000 (3,500)	—	—	—
Technical sales reps.	3,000 (2,600)	3,500 (3,000)	4,000 (3,600)	—	—	—
Retail management	3,000 (2,600)	3,500 (3,000)	4,250 (4,000)	—	—	—
Production managers—engineering	3,700 (3,200)	4,250 (3,700)	4,900 (4,500)	3,900 (3,800)	4,500 (4,500)	5,150
Production managers—non-engineering	3,550 (3,250)	4,000 (3,850)	5,000 (4,500)	4,700 (3,750)	4,950 (4,200)	5,500
Production engineers	3,750 (3,200)	4,300 (3,500)	4,950 (4,350)	3,750 (3,500)	4,550 (3,900)	5,000
Mechanical engineers	3,600 (3,150)	4,250 (3,650)	5,000 (4,500)	3,850 (3,350)	4,400 (4,100)	5,100
Electrical engineers	3,600 (3,000)	4,300 (3,800)	5,000 (4,300)	3,600 (3,000)	4,500 (3,850)	5,000
Chemical engineers	4,600 (3,200)	4,700 (3,600)	5,800 (5,200)	—	—	—
Draughtsmen	3,150 (2,700)	3,500 (3,100)	4,000 (3,500)	3,150 (2,750)	3,500 (3,200)	4,000
Civil engineers	3,750 (3,200)	4,250 (3,700)	5,000 (4,500)	4,300 (3,750)	5,000 (4,200)	6,050
Engineering technicians	3,350 (2,700)	3,850 (3,200)	4,350 (3,500)	3,350 (2,750)	3,900 (3,850)	4,500
Quantity surveyors	4,000 (2,650)	4,700 (3,700)	5,300 (4,250)	—	—	—
Chemists	3,000 (2,800)	3,900 (3,400)	4,500 (4,300)	3,000 (3,000)	4,100 (3,900)	4,650
Economists and statisticians	3,500 (3,500)	3,850 (4,600)	5,400 (6,500)	—	—	—
Metallurgists	3,000 (2,950)	3,300 (3,200)	4,100 (3,800)	—	—	—
Physicists	3,750 (2,800)	4,500 (3,300)	4,800 (4,650)	—	—	—
Distribution execs.	3,450 (3,000)	4,000 (3,500)	4,950 (4,500)	—	—	—
Purchasing execs.	3,350 (2,800)	3,850 (3,200)	4,700 (4,250)	4,000 (3,750)	4,400	5,400

## ACCOUNTANCY APPOINTMENTS

Commercial Director  
— the safest consumer product?

The company, northwest based, design and manufacture to exacting standards for a small group of customers who possess authority in the market. Trade like the product is secure. Turnover has grown to £4m, effectively over 5 years.

The heart of the commercial function is contract costing and pricing. Selling and financial control both come under the Director and there is a continuing dialogue with major customers.

Candidates should be ACMA in their mid-30's with a working background in light manufacturing industry — or perhaps consultancy — which has involved commercial responsibility at the decision-making level.

Salary around £9,000: car and normal benefits. Clear prospects.

Please write — in confidence — to Wallace Macmillan ref. B.31185.

This appointment is open to men and women.

**MSL Worldwide**

Management Selection Limited  
474 Royal Exchange Manchester M2 7EJ

## TAX CONSULTANCY GLASGOW

Our client offers an extensive range of tax services to a varied portfolio of clients. They now intend to expand these services and as a result wish to make the following appointment:

TAXATION MANAGER  
c £10,000+car+benefits

The manager, male or female, will demonstrate a sound knowledge of tax law and will advise and evaluate schemes for the mitigation and deferral of tax liability.

Candidates should preferably be Chartered Accountants with substantial experience of CTT and estate planning. He/she will be expected to be fully conversant with the major aspects of personal and corporate taxation.

For more detailed information on the above appointment contact Bruce Page C.A. or Nigel V. Smith A.C.A. quoting reference number 1708A.

Douglas Llamblas Associates Ltd.,  
410 Strand, London WC2R 0NS.  
Telephone 01-836 9501  
and 3 Coates Place, Edinburgh EH3 7AA.  
Telephone: 031-225 7744.

COMMERCE & INDUSTRY

Reed Executive  
The leading authority on the selection of financial management.

## Finance Director

U.K. over £10,000 + car

A leading British group is seeking a Finance Director for its major subsidiary — a multi-location company with a turnover approaching £50m. Reporting to the Managing Director you will direct a sophisticated finance and accounting operation, and become involved in the areas of profit and long-range planning, cash management and pricing. You will also have a significant part to play in the general management of the company, and as a member of the Board will help to shape future business development.

Your training and initial post-qualification experience will have been with one of the larger professional offices. Subsequently, you will have gained experience of factory and management accounting in a sophisticated accounting environment. You will now be operating at a senior level, possibly with a multi-national company in which post you will have responsibility for cash management and profit planning, and will have worked closely with the Price Commission.

This key role offers a starting salary over £10,000, a company car, and the usual large-company benefits, plus attractive career development prospects.

Telephone 01-836 1707 (24 hr. service) quoting Ref: 0765 FT. Reed Executive, 55-56 St. Martin's Lane, London WC2N 4EA.

London Birmingham Manchester Leeds Edinburgh Nottingham Paris

Leading members  
of the Stock Exchange,  
London, require:-

Chief  
Accountant  
from £8000  
plus benefits

Candidates should have:

1. Qualification
2. Several years experience of stockbroking procedures
3. Full understanding of computerised systems
4. Knowledge of foreign exchange accounting
5. Management experience

The job includes:

1. Responsibility to Finance Director for all accounting functions
2. Provision of management accounts to the Board
3. Co-ordination of overseas subsidiaries
4. Improvement of costing system

Assistant  
Accountant  
from £5750  
plus benefits

The successful candidate will be responsible to the above and will be given considerable scope to develop systems under his guidance. Qualification and stock exchange experience desirable but not essential.

Please apply to:

The Personnel Manager,  
JOSEPH SEBAG & CO.,  
3 Queen Victoria Street, London E.C.4.  
Telephone: 01-234-5000 ext. 325

FINANCIAL ACCOUNTANT  
London W11 c £9000

We are a major international firm of Consulting Engineers and Architects, employing over 1,400, and are looking for a qualified accountant (A.C.A. or A.C.C.A.) aged 35-55, with good all round experience of financial accounting procedures. The successful applicant will report direct to the Chief Financial Accountant and will be responsible for all financial accounting and payroll functions, including the preparation of financial accounts of some of the Divisions.

Candidates should have a mature personality and a proven ability to control and motivate staff to work harmoniously as a member of a finance team, and to communicate with staff and management at all levels.

Please write by 25th November, 1976, giving personal details, qualifications and experience, and quoting Ref: 1067/1, to:

N. W. Ramsay  
Chief Executive Personnel  
Sir William Halcrow and Partners  
Newcombe House  
45 Notting Hill Gate  
London W11



## YOUNG ACCOUNTANT

£5,000

London based company seeks a newly-qualified ambitious accountant willing to gain experience in the commercial world. The career prospects are excellent—candidates with knowledge of computer techniques will be of particular interest.

For details please contact:

Bridget Woodcock  
01-437 5871

ACCOUNTANCY APPOINTMENTS REGISTER

MANAGEMENT  
AUDIT

Circa £6,000 plus car

Major Co. challenging position within audit group: 2 or more years post qual. exp. essential. Extensive travelling within the U.K.

**DUKE CADETT**

Tel. 01-282 3881 quoting ref. C.F.H.

THE NATIONAL GIRO  
Is seeking a  
DIRECTOR OF FINANCE  
London c. £11,500

The National Giro is a profitable, rapidly-expanding bank, offering a wide and developing range of services. It handles a £30,000 million turnover and 250 million transactions per year.

Director of Finance is a new top level post being created to co-ordinate and control the account and investment activities and to contribute to the programme of extended banking facilities following the passage of the Post Office (Banking Services) Act. The Director will be responsible for certain administrative functions within the bank.

Responsibilities will include:

- controlling and developing the accounting and information systems
- directing investment of funds now approaching £200 million
- providing creative financial advice and participating in the overall management of the bank.

The post will be based at the National Giro's City of London headquarters but frequent visits to the Centre, Marsevaire, will be necessary.

There are promotion opportunities within the Post Office as a whole, a contributory pension scheme 5 weeks annual holiday.

Applicants must possess detailed understanding of financial control and a sound working knowledge of money markets. Their senior management experience will most likely have been gained within a bank, institution, or the accounting or treasury activities of a large industrial or commercial enterprise. Ideal will be at least 35 years of age, and hold a professional accountancy qualification.

Please write or telephone for further details and for a personal application form to:

Alastair Hanton, Senior Director, Giro and Remittance Services,  
10 Milk Street, London EC3V 8JH  
Tel: 01-800 6020 Ext. 202

## The Post Office

## Director of Finance

A major U.S. multinational Company manufacturing and selling leisure products seeks a Financial Director for its European operations. The position is located in London and reports to the Managing Director Europe.

Main responsibilities will be the guidelines and direction of the Finance Controllers in the subsidiaries in five countries, the analysis of subsidiary financial reports and statements, and to be the main point of contact financial matters between Europe and the U.S. parent Company.

Candidates must be accounting graduates, CPA or equivalent level, must have experienced in modern U.S. and European accounting techniques, standard cost systems and financial analysis. A proven record of success in a senior financial control position with a large U.S. corporation essential. Knowledge of French, German and/or Dutch could be an advantage.

Salary is negotiable but will reflect the importance of this position. Company car, pension scheme, assistance with relocation if appropriate.

Write in complete confidence to:

Andrew Millhouse, Ref: DFL  
Ketchum Recruitment Limited,  
52 Bedford Row,  
London WC1R 4EX

## GENERAL APPOINTMENTS

THOMSON NORTH SEA LIMITED  
TREASURY ASSISTANT

WEST END

Circa £5,500 p.a.

Thomson North Sea Ltd. is a member of the Oldfield North Sea Group, which is developing two commercial oil fields. With production from the Piper field starting shortly and the Glaymore field next year, a Treasury Assistant is required to join a young management team to participate in the control and development of the company's treasury function.

Candidates should have had experience of banking operations generally, cash forecasting, draw-downs, interest payments, foreign currencies and general banking operations and will be expected to contribute to company policy in these areas. Experience will ideally have been obtained in the treasury function of a medium to large international company or in banking.

The successful applicant for this new post will be used to working under pressure in a moving environment and will be expected to show initiative in maximizing income from surpluses.

Salary circa £5,500 p.a., contributory pension scheme and generous fringe benefits include 5 weeks holiday.

Please telephone or write for an application form to:

Mr. N. R. Harrison, Financial Director,  
THOMSON NORTH SEA LTD.,  
16 Stratford Place, London, W1T.

Tel: 01-499 9825



GENERAL APPOINTMENTS  
ARE CONTINUED TODAY  
ON THE FOLLOWING PAGE

## GENERAL APPOINTMENTS

McKinsey & Company  
Financial Analyst

McKinsey & Company is an international management consulting firm involved in solving top management problems for leading organizations in private and public sector.

There is now a vacancy in the research department our Amsterdam Office for an experienced financial analyst to assist small teams of consultants on specific studies. He or she will have developed an ability to use sophisticated techniques to analyze corporate financial data in a conclusion and report. Familiarity with economic and financial institutions would be an asset, as would an ability to work to tight deadlines. The candidate should need the professional and personal flexibility to provide guidance and support in the general research area of the department but, above all, would be expected to contribute significantly to the financial banking consulting practice in the Netherlands, Belgium and Scandinavia.

The successful candidate will meet the following requirements:

- Good, advanced degree in business, economics, mathematics or science (MBA-type preferred)
- Several years' experience in advanced financial research in a corporation, management accounting firm or merchant bank
- Fluently spoken Dutch, but consideration will be given to non-Dutch candidates willing to relocate to Amsterdam and learn the Dutch language. Fluent English is necessary in view of the international character of our firm.

Unfilled candidates are requested to submit, in confidence, a detailed curriculum vitae in support of application to:

Mr. Malcolm Campbell  
McKinsey & Company  
Amstel 344  
Amsterdam 1004 The Netherlands

## Accountant

International Merchant Bank  
c. £6000 + Benefits

Banker an international "consortium" Bank with the best possible financial support and connections, it is still very young and very much in a positive growth situation.

It is much less concerned with the day-to-day book-keeping than with the continuous provision to Management of advice and information (including the Tax implications) in the Bank's business, which is principally that of currency financing. One's responsibility will also extend to the preparation of Final Accounts for the Board and the holders.

Man/Woman: probably in his/her late 20's, must be a qualified Accountant and have experience that should, almost totally, incorporate some involvement with an international banking operation.

Further details of this position, the prospects and the remuneration package, please telephone—in confidence—Chiverton, A.L.B. on 405 7711.

David White Associates Ltd.  
Hampton House, 84, Kingsway, London, W.C.2.



## PA International

## Top Marketing Appointment

Far East  
c. £25,000

A leading manufacturer and distributor of consumer products with extensive marketing operations through the retail trade in Malaysia and Singapore wishes to recruit an organisationally mature senior executive for the position of Group Marketing Manager. This is one of the most senior and challenging marketing positions in South East Asia. The appointee will be based in Singapore or Kuala Lumpur. The Group Marketing Manager will have the overall responsibility for product and market planning, sales and distribution, advertising and promotion, market research and training of personnel. Candidates for this position should have had several years of in-depth and disciplined

exposure to a highly competitive market environment. A successful proven record in consumer-oriented marketing at the senior management level is essential. Candidates could already hold a General Manager or Managing Director's position, having risen through the marketing stream. They should be conversant with organisation development processes and up-to-date marketing technology. The successful candidate will probably be above 40 years of age with a good first degree. The remuneration package for this challenging career appointment will be in the region of £25,000 per annum plus attractive expatriate benefits. Reply to: PA Personnel Services Ref: SM14/5792/FT.

Managing Director  
£15,000

Shield Packaging Limited

Shield Packaging Limited, one of the largest independent integrated printed polyethylene bag and film manufacturers in the U.K., have earned their reputation as a market leader through their expertise in high quality process printing. The Company has grown impressively since its inception in 1970 to a current turnover of around £3 million. In order to sustain the performance and to realise plans for total future development, it seeks a highly experienced, professional Managing Director. The person appointed will work with the existing highly committed and professional management team in exploiting the Company's first class production facilities by developing existing, and identifying new profitable market opportunities in the U.K. and overseas. The Managing Director will be expected to provide the cohesion necessary to develop the Company further in its plans to increase its market penetration and profitability. Candidates, male or female, will probably be

aged around 45. They must be able to demonstrate a record of success and achievement in a general management role which has exposed them to all aspects of a company's operations and where they have operated autonomously. They should come from a light manufacturing industry, and experience of low density polyethylene, printing or packaging would be particularly useful, though not essential. The ability to work as a member of a highly committed team is necessary together with a capability for developing staff from within. Total remuneration, including a substantial profit share element is expected to be around £15,000 and given the anticipated future development of the Company, an opportunity for significant equity participation should exist. Fringe benefits which include a car are in line with normal U.K. practice, including help with relocation costs to the Company's head office at Washington, Tyne & Wear. Reply to: PA Personnel Services Ref: GM46/5791/FT.

General Manager  
Marketing  
c. £15,000+

The secret of this international company's very fast growth in the U.K. is its expertise in the selection and subsequent concentrated promotion of a variety of consumer products. Turnover is well over £5m. and on track for the £10m. mark, and further extensive expansion is forecast. To spearhead the next phase, an able, fast moving consumer goods marketer (of either sex) is needed to direct the British company, which is London based. No production facilities are owned at the present time, and

the emphasis is on strong marketing leadership for the company, with full P & L responsibility for its success. A thorough exposure to strategic, financial and people planning in an entrepreneurial enterprise is essential and a comprehensive background of above and below the line promotion is expected; age ideally mid-30's. Remuneration will include the figure indicated as well as a performance related supplement. Reply to: PA Personnel Services Ref: GM26/5707/FT.

## PA Personnel Services

Hyde Park House, 60a Knightsbridge,  
London SW1X 7LE  
Tel: 01-235 6060 Telex: 27874

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

N M Rothschild & Sons Limited  
Potential Young Merchant Bankers

We are interested in recruiting people who wish to make a career in Merchant Banking.

The vacancies arise due to the expansion of our overseas interests. The successful applicants are likely to be aged between 20 and 25 and to have had some financial experience since leaving school or university. Previous experience in a Merchant Bank would be helpful.

## Corporate Finance

Due to continued expansion overseas we have vacancies for an executive within our Domestic and International Corporate Finance Departments. The successful applicants will be aged between 24 and 27 and probably either will already have had experience of Corporate Finance work or will be a qualified Accountant or Solicitor in a leading practice.

## Loan Executive (Credits)

We are looking for a young Loan Executive whose responsibilities will include credit analysis, appraisal of lending proposals and the development of client relationships both private and corporate.

The successful applicant will be aged between 24-30 probably with an appropriate professional qualification, and have a thorough grounding in this field. This must include experience of dealing with major clients and a working knowledge of sterling and eurocurrency markets.

Please write with full details of career to date to:

Peter Fane,  
N M Rothschild & Sons Limited,  
New Court,  
St Swithin's Lane,  
London EC4P 4DU.

Director  
Institute of Practitioners in Advertising

Mr. O'Connor, Director of the Institute, retires at the end of 1977. He made the job a very important indeed.

IPA is the professional body representing Britain's advertising agencies and the people who work in them. Over 250 agencies and 10 individuals are members.

Director both serves the profession and speaks for it, playing a leading role in developments in Britain and abroad.

Mr. O'Connor's successor will be skilled in management, a shrewd negotiator, with a wide knowledge of government, industrial, legal and international affairs. He or she will currently be in advertising or some related field. The salary will be substantial.

John Stork & Partners are advising the IPA on the appointment and will be glad to discuss the appropriate details in confidence. Write with an outline of career progression and salary, or telephone John Stork personally.

John Stork & Partners  
International Management Consultants  
7-8 Market Place, London W1N 7AG  
Telephone 01-580 4907

## Project Finance

We require an additional member for our Project Finance Department.

The Department provides advice on the best structure and financial package for construction projects throughout the world, as a basis for procuring the necessary finance from the international capital markets. The projects are commonly in the energy, nuclear, transport and industrial fields.

The successful applicant will be in his/her mid twenties and will have had some experience in project finance or related fields, and will probably have a degree and/or professional qualification. Proven skills in numerical/computer techniques and competence in foreign languages will be an advantage.

Please write giving brief but concise details of your experience and career to date, to:

The Assistant Staff Manager, Kleinwort, Benson Ltd.,  
20 Fenchurch Street, London EC3P 3DB  
**KLEINWORT BENSON**  
Merchant Bankers

## SENIOR STERLING DEALER

capable of setting up sterling dealing department required by an expanding Middle East bank in the City. Salary £8,000 p.a. plus and fringe benefits. Candidates should submit curriculum vitae to Box A.5741, Financial Times, 10, Cannon Street, EC4P 4BY.



Imperial Chemical Industries Limited

PORTFOLIO SUPERVISOR FOR NORTH AMERICAN INVESTMENTS  
INVESTMENT ANALYST

The Investments Department of ICI, which manages the assets of the pension funds of ICI's 130,000 employees, has vacancies for:

## A PORTFOLIO SUPERVISOR FOR NORTH AMERICAN INVESTMENTS

Applicants should be in their late 20s and possess a degree in the general field of finance or economics, and/or a professional qualification in a similar field. They must have experience of American investments, be familiar with the technicalities of back-to-back loan financing, and be prepared to travel overseas.

## AN INVESTMENT ANALYST

Applicants should be in their 20s and possess qualifications similar to the above. The ideal candidate will be interested in the analysis of U.K. equity shares, particularly those in the capital goods sector, and in supervising the investments of one or more small funds. Candidates with a mathematical background will also have the opportunity of participating in the management of fixed interest securities.

Please apply in writing or telephone for an application form to:  
Miss J. Poock, ICI Ltd.,  
Imperial Chemical House, Millbank, SW1P 3JF. 01-834 4444.

## European Tax Specialist

Our client, a US multi national, requires a qualified Tax Specialist to assist the European Tax Manager in all tax matters relating to its European subsidiaries.

Candidates should be educated to a relevant degree standard or hold a professional qualification, and be able to demonstrate solid experience and knowledge in European tax matters.

The position offers the opportunity to understand the Tax Manager's position with the ultimate objective of replacement.

Position located in West London with some travel. Please write with full details to Position No. ASE 1734, Austin Knight Ltd, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.



## CITY EDITOR

of the Evening Standard seeks energetic and experienced FINANCIAL JOURNALIST of high quality with particular interest in and close contacts with the Stock Market.

Write: 33, St. Bride Street, EC4.

## MERCHANT BANKING

## S. G. Warburg &amp; Co. Ltd.

Our corporate finance business continues to grow and we are seeking one or two young executives with the potential to make a significant contribution to our business.

Successful applicants are likely to be graduates, aged between 24 and 32, who have obtained a professional qualification in law or accountancy, or a business school degree. It will be an advantage if they have also acquired some relevant post qualification experience, particularly in banking or corporate finance. Fluency in one or more foreign languages would also be an advantage.

Applications, enclosing a concise curriculum vitae, should be sent in confidence to:

G. E. J. Wood, S. G. Warburg & Co. Ltd.,  
30 Gresham Street, London EC2P 2EB.

MANAGING DIRECTOR  
Visnews Limited

Visnews is the leading supplier of International newfilm to the television industry throughout the world. The present Managing Director Mr. Ronald Waldman retires in May of next year and his successor is being sought.

Although the Company has its headquarters in London, the Board sees this as an international appointment and is prepared to offer a level of compensation that will attract the best possible candidates within the television industry, whether from the U.K. or from overseas.

Essential requirements are:

- experience in managing a profit centre within the industry
- a demonstrable track record in achieving targets
- direct exposure to financial and corporate planning and to product development within a technical environment

This is an international appointment involving a fair amount of world travel and it is more than likely that the successful candidate will be cosmopolitan in outlook and will speak more than one language.

Written applications, including a complete resume, should be sent to:  
Andrew Muir (MD/FT), Spencer Stuart and Associates Ltd.,  
Brook House, 113 Park Lane, London W1Y 4HU,  
who are advising on this appointment.

Spencer Stuart and Associates Ltd.  
Management Consultants



## COMPANY NOTICE

seek the services of

• Applicants in strictest confidence should provide full career details and be sent to J. M. Swain Esq., Blacket, Gill & Langhams, Solicitors, 9, Staple Inn, Holborn London WC1.

Very good salary and promising future will be granted to the right applicant.

Please call Mr. Saad Sabbagh, Tel: 01-935 9133, or write urgently to Euro Kuwait Investment Company, c/o 12 Mandeville Place, London, W.1—for appointment.

**BANKING DIVISION**  
**BROOK STREET BUREAU.**

**City Treasurer, Town Hall, Peterborough PE1 1HQ**  
**Telephone: 0733 63141 ext. 316**

**National Electric  
Power Authority (NEPA)  
P.M.B. 12030  
Lagos, Nigeria**

**JARDINE MATHESON  
INTERNATIONAL N.V.  
JARDINE, MATHESON & CO., LIMITED**

To the Holders of  
1975 Guaranteed Debentures Due 1988  
of Jardine Matheson International N.V.  
Debentureholders are reminded that  
the following Special Resolution was passed at a  
Special General Meeting of the Company on 28th  
March 1978 and approved at the meet-  
ing of the Board of Directors on 28th March  
1978, the obligation of Jardine Matheson  
International N.V. to purchase at par plus  
accrued interest to the date of pay-  
ment (but with a deduction equal to the  
amount of the interest on the debentures  
concerned not attached to the debentures)  
debentures for warrants tendered to it  
in accordance with the terms of the warrants  
and holders who wish to tender debentures for  
warrants should do so by that date.  
5th November, 1978.

**JARDINE MATHESON  
INTERNATIONAL N.V.**

No. 003602 of 1976  
In the HIGH COURT OF JUDICATURE  
Chancery Division Companies Court  
The Master of BORDEAUX BUILDING  
CONSTRUCTION LIMITED and  
Father of the Companies Act 1947  
NOTICE IS HEREBY GIVEN  
relating to the winding up of the  
aforesaid Company by the High Court  
of Justice was on the 28th day of

giving to charity

**IMPROMPTU STAGED, L.A. THEATRE**  
**OF WALES** 07-930 0687  
 Shows 5.00 - FR., Sat. 6.00 and 8.45  
**MICHAEL CRAWFORD**  
**FRANCESCU**  
 Sat. November to 12th Novemr  
 9.30-5.30 a.m.; Saturdays 10-1  
 Carlton Street, Bond Street  
 WJK 3LF. 01-629 0791.

giving to charity

9.30-5.30 a.m.; Saturdays 10-1.  
Graton Street; Bond Street.  
W1X 3LF. 01-628 0791.

هذه هي الأصول



# an halts Z dairy and lamb ports

WELLINGTON, Nov. 10. A STORE ban throughout Zealand has halted meat exports. The ban, which was imposed after a series of outbreaks of foot and mouth disease, has caused a severe shortage of meat in the country. The ban also affects the export of lamb, which is a major source of income for the country. The government has announced that the ban will remain in place until the disease has been completely eradicated. This has caused a significant loss of income for the farming community, which is heavily dependent on the export of meat and lamb.

# Cocoa leads general rise in commodities

BY OUR COMMODITIES STAFF  
THE UPSURGE in London cocoa prices accelerated yesterday and terminal market prices ended the day at new all-time peaks. The March futures position closed at £1,566 a tonne, up £60.5 on the day, after climbing to £1,570 at one time. The rise formed part of a general increase in commodity market values which was linked with the higher gold price. The initial rise in cocoa was encouraged by a strong overnight tone in New York and a £30 permissible limit rise was established soon after the opening of the London market. Heavy trading brought further price increases, and the market surged to record levels by lunchtime. The upward trend was maintained for most of the afternoon, but profit-taking trimmed values slightly near the close. Dealers attributed the increase to a combination of regular and genuine manufacturer offtake in the form of minimal producer sales. Most producers are believed to have sold nearly all their currently available cocoa and are showing no sign of being tempted to part with the rest at current price levels. Meanwhile, concern is being noted in some market quarters over Ghana's main crop prospects. This is based on the relatively low level of main crop purchases declared so far coupled with reports that the season will be over by Christmas. Futures prices also reached new peaks on the coffee terminal market yesterday, with the January position ending £34 higher at £2,235 a tonne. This mainly reflected a sharp rise in internal Brazilian prices, already well above export price levels, which will make life still more difficult for Brazilian exporters. Substantial rises in New York, based on continued master buying, lent further strength to the London market. Sugar prices continued to rise with the March futures position gaining another £2.5 to £225 a tonne, bringing the rise in the past week to £6.75. In the morning the London daily price was marked up £3 to £123 a tonne. Yesterday's rise came despite the authorisation of 35,000 tonnes of white sugar for export at the BEC's weekly tender. This compares with a figure of 30,000 tonnes last week. There was a general rise in base metal prices on the London Metal Exchange, reflecting the uplift in gold and fears of renewed inflation in the U.S. Silver prices were up sharply too, with the spot quotation being raised by 5.7p to 371.5p an ounce at the morning fixing and climbing to 375.5p by the afternoon close. Cash tin reached an all-time high after gaining £7.5 to £5,027.5 a tonne on fresh speculative buying interest, despite a fall in the Penang market overnight. Copper cash wirebars jumped by £18 to £308.5 a tonne, encouraged by a firmer tone in New York. The market remains volatile, with active trading conditions although consumer buying interest is reported to be still subdued. Lead and zinc followed the Chinese on their primary commodities, and on levelling the trade balance which is heavily in China's favour. He said China pledged to take more Malaysian products especially rubber, timber and palm oil to reduce the trade gap. The Chinese bought 5,000 tons of Malaysian rubber last week, and would negotiate "for prompt delivery" 30,000 cubic metres of timber worth \$7m (£1.5m). In the past few weeks, the Chinese have been trying to buy Malaysian palm oil, but the required amount was not available this year due to committed orders. A Chinese team is to visit Malaysia to be better acquainted with the processing and utilisation of palm oil, and a standard contract had been drawn up to ease future sales to China. The Chinese also assured the Malaysian mission that they would co-operate with the U.S. Rubber Exchange in providing shipping services for rubber exports, and indicated that its trade corporation would apply for associate membership to the Exchange.

# China may start importing tin

KUALA LUMPUR, Nov. 10. The Malaysian mission held wide-ranging talks with the Chinese on their primary commodities, and on levelling the trade balance which is heavily in China's favour. He said China pledged to take more Malaysian products especially rubber, timber and palm oil to reduce the trade gap. The Chinese bought 5,000 tons of Malaysian rubber last week, and would negotiate "for prompt delivery" 30,000 cubic metres of timber worth \$7m (£1.5m). In the past few weeks, the Chinese have been trying to buy Malaysian palm oil, but the required amount was not available this year due to committed orders. A Chinese team is to visit Malaysia to be better acquainted with the processing and utilisation of palm oil, and a standard contract had been drawn up to ease future sales to China. The Chinese also assured the Malaysian mission that they would co-operate with the U.S. Rubber Exchange in providing shipping services for rubber exports, and indicated that its trade corporation would apply for associate membership to the Exchange.

# Japan metal market plan

TOKYO, Nov. 10. Japan should have a Metal Exchange of its own, Mr. Yoshihiro Inai, president of Mitsubishi Metal Corporation, said yesterday. He said it was needed to curb the effects of wide fluctuations of the copper price on the Japanese economy. Mr. Inai said he realised establishing a Metal Exchange in Japan would require a large amount of funds to support

# Sales of stockpile wool curbed

CANBERRA, Nov. 10. THE AUSTRALIAN Wool Corporation (AWC) has withdrawn from selling stockpiled wool that had been scheduled for resale at auction this week. Mr. M. L. Wanser, general manager for marketing said that should the wool market weaken further it would be necessary for the AWC to withdraw further quantities scheduled for resale in forthcoming weeks. Although supplies were available from overseas stocks and other direct sales to meet urgent user requirements, prices for these were being held at the levels previously established by added, reports a dealer. Later earlier prices were again reported at wool sales in Geelong, Sydney and Allambi. Meanwhile, in Sydney, trade sources said wool handlers in brokers' stores in Adelaide had voted to accept a Federal Store and Packers' Union recommendation that they lift the present bale weights but Brisbane handlers rejected it. The votes were the first to be held at wool centres throughout Australia this week following agreement between the Union wool growers, brokers and the Australian Council of Trade Unions on the recommendation to be put to members, they said.

# Bigger fines for illegal fishing

FOREIGN POACHERS in British fishing grounds will face a major review of the law to be brought before Parliament shortly. The new fines, under top-level discussion at the Ministry of Agriculture, will also hit Britons who break fishing laws. A Commons Select Committee investigating the industry heard yesterday, Fisheries Secretary, Mr. Julian Knaul, told the Committee that penalties were last revised eight years ago. "The value of money and rewards for illegal fishing have changed considerably since then. These factors are very much in the Ministers' minds at the moment," he said. But he added that even under existing penalties, skippers could face the confiscation of their catch and gear, which could be harder than the fine imposed.

# Crisis over falling pilchard stocks

BY JOHN STEWART, CAPE TOWN CORRESPONDENT  
FOR THE second time in eight years the R100m-a-year Namibia (South West Africa) herring fishery is facing a crisis over a decline in pilchard and anchovy stocks. The South African Government has ordered an immediate scientific investigation and has asked for a report and recommendations not later than February next year. It had always been thought that the maximum sustainable yield of the Namibian pelagic grounds was well in excess of 1m. tons annually, a catch figure that was achieved with regularity in the 1960s. But it rose to nearly 2m. tonnes in the 1968-69 seasons when South African-owned "factory" ships took nearly 500,000 tonnes. The heavy onslaught all but destroyed the resource and led to the ensuing political infighting between the Namibian and South African Governments. The ruling National Party, the factory ships were banished from Namibian waters and stringent conservation measures were introduced. At the same time, a well-equipped research team was ordered to conduct a continuous survey work of pelagic migration, spawning and recruitment and a vast area was declared a sanctuary. At the same time matters were complicated for the catching fleet by the sharp decline in non-pilchard species. Because of this, fishmeal production from anchovy landings having peaked at 161,768 tonnes in 1974, it slumped to 106,115 tonnes in the 1975 season which ended in August—a time when the world price was well over \$US320 a ton, compared with a "fixed" domestic price of R202 a ton. The sharp drop in the abundance of pilchard has taken the fisherman and scientists by surprise, even though the re-stocking programme initiated in 1974 was dramatically dropped by the South African Government in 1974 when conditions appeared to be perfect. Because there is no genuine information, theories about the "disappearance" of the fish are as plentiful as ashermen. Environmental factors clearly may have had something to do with the situation, but while they may account for poor availability they do not explain the decline in abundance. Fishermen are, however, heartened by the fact that samplings of the 1976 pilchard catch do indicate satisfactory results of year classes (from one to eight), which may mean that stocks are healthy. Surveys confirmed that warm water was flowing south from the Kunene dividing, encroaching on the icy currents of the Benguela waters, and comparisons were immediately drawn with the El Niño phenomenon which hit Peruvian anchovy fishing in recent years. An alarming suspicion is beginning to emerge. Normally, Namibian pelagic species migrate south to spawn, usually near Walvis Bay, from where eggs and larvae drift northwards in the cold Benguela current to the sanctuary north of Paigraue point. Because this is a trip of several hundred miles the fish are big enough to look after themselves by the time they reach the sanctuary. But if the southward spawning migration is inhibited by warm water the worst is feared for young stocks. South African scientists are confident, however, that they will come up with the answers by the time regulations for the 1977 Namibian season have to be made in February next year.

# Exchequer boost for State-bred seeds

BY PETER BULLEN  
ANOTHER money-spinning successful year was reported yesterday by Britain's National Seed Development Organisation, which promotes and markets seeds and plants bred by State breeding stations. Since it was set up 10 years ago, the NSDO has generated £3m. in revenue—£2m. to £3m. of which it has paid to the Exchequer in tax and dividends. In the past year alone it has earned enough to pay the Ministry of Agriculture £275,500 in dividends and shared royalties. Its pre-tax profit increased by more than 40 per cent. to £672,171 in the 12 months to the end of June due mainly to a jump in royalties from £700,000 to £1,320m.

# COMMODITY MARKET REPORTS AND PRICES

METALS			
Aluminium	805.5	+11	805.5
Copper	841.2	+11	841.2
Gold	793.4	+11	793.4
Iron	793.4	+11	793.4
Lead	793.4	+11	793.4
Nickel	793.4	+11	793.4
Platinum	793.4	+11	793.4
Silver	793.4	+11	793.4
Steel	793.4	+11	793.4
Tin	793.4	+11	793.4
Zinc	793.4	+11	793.4

GRAINS			
Wheat	120.0	+1.0	120.0
Barley	120.0	+1.0	120.0
Oats	120.0	+1.0	120.0
Rice	120.0	+1.0	120.0
Soybeans	120.0	+1.0	120.0
Maize	120.0	+1.0	120.0
Peas	120.0	+1.0	120.0
Beans	120.0	+1.0	120.0
Lentils	120.0	+1.0	120.0
Mustard	120.0	+1.0	120.0

PRICE CHANGES			
Aluminium	805.5	+11	805.5
Copper	841.2	+11	841.2
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Silver	793.4	+11	793.4
Steel	793.4	+11	793.4
Tin	793.4	+11	793.4
Zinc	793.4	+11	793.4

COFFEE UP 170% SINCE JANUARY  
A make money in commodities. That is one way to invest in 11 different countries subscribe to the London Metal Exchange, which is a commodity exchange, and the London Metal Exchange, which is a commodity exchange, and the London Metal Exchange, which is a commodity exchange.

GRAIN FUTURE MARKET  
LONDON GRAIN FUTURE MARKET  
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U.S. Markets  
Cotton and grains fall, metals rise  
NEW YORK, Nov. 9. COPPER AND SILVER closed higher on local buying, but gold and silver dropped. Cotton closed lower on Commission House selling. March contracts closed higher on Commission House buying. Cotton closed lower on Commission House selling. March contracts closed higher on Commission House buying.

# TRACTS AND TENDERS

Democratic and Popular Republic of Algeria  
MINISTRY OF INDUSTRY AND ENERGY  
SOCIETE NATIONALE DE L'ELECTRICITE ET DU GAZ  
"SONELGAZ"

# INTERNATIONAL INVITATION TO TENDER

An international invitation to tender has been launched for the supply of gates to equip the gas pipe-line Centre 42 of "HASSI R'MELOUED ISSER" and its complementary works.

Tender documents may be obtained from SONELGAZ — Service Engineering Gaz 2, bd. Salah Bouakour — 3rd floor ALGIERS (Algeria) as from 27th October, 1976:

Tenders should be submitted by December 15th, 1976, at the latest.

# COFFEE

MARKET sources said there was a good overall decline in the market with local buying interest and some short-covering developing at any price.

# SILVER

Silver was fixed 6.5p an ounce higher for spot delivery in the London Bullion Market yesterday at 27.50. U.S. civil equivalents of the metal values were: spot 64.4c, up 1.1c; three-month 67.2c, up 1.1c; six-month 67.2c, up 1.1c; 12-month 67.2c, up 1.1c.

# COCAOA

In absence of any substantial selling pressure, prices moved sharply higher through limit advance on May to close steadily in new high ground, reports call and London.

# COCAOA

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Yesterday's + or - Business Done  
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Tel: 0223 68700 Telex: 77262  
Fax: 0223 68701

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

Shorts (Live up to Five Years)  
High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	British Fund	100	100	100	100
100	100	British Fund	100	100	100	100
100	100	British Fund	100	100	100	100
100	100	British Fund	100	100	100	100
100	100	British Fund	100	100	100	100

## BANKS AND HIRE PURCHASE

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Bank of England	100	100	100	100
100	100	Bank of England	100	100	100	100
100	100	Bank of England	100	100	100	100
100	100	Bank of England	100	100	100	100
100	100	Bank of England	100	100	100	100

## OVER FIFTEEN YEARS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Over 15 Years	100	100	100	100
100	100	Over 15 Years	100	100	100	100
100	100	Over 15 Years	100	100	100	100
100	100	Over 15 Years	100	100	100	100
100	100	Over 15 Years	100	100	100	100

## INTERNATIONAL BANK

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	International Bank	100	100	100	100
100	100	International Bank	100	100	100	100
100	100	International Bank	100	100	100	100
100	100	International Bank	100	100	100	100
100	100	International Bank	100	100	100	100

## CORPORATION LOANS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Corporation Loans	100	100	100	100
100	100	Corporation Loans	100	100	100	100
100	100	Corporation Loans	100	100	100	100
100	100	Corporation Loans	100	100	100	100
100	100	Corporation Loans	100	100	100	100

## COMMONWEALTH & AFRICAN LOANS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Commonwealth & African Loans	100	100	100	100
100	100	Commonwealth & African Loans	100	100	100	100
100	100	Commonwealth & African Loans	100	100	100	100
100	100	Commonwealth & African Loans	100	100	100	100
100	100	Commonwealth & African Loans	100	100	100	100

## FOREIGN BONDS & RAILS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Foreign Bonds & Rails	100	100	100	100
100	100	Foreign Bonds & Rails	100	100	100	100
100	100	Foreign Bonds & Rails	100	100	100	100
100	100	Foreign Bonds & Rails	100	100	100	100
100	100	Foreign Bonds & Rails	100	100	100	100

## AMERICANS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Americans	100	100	100	100
100	100	Americans	100	100	100	100
100	100	Americans	100	100	100	100
100	100	Americans	100	100	100	100
100	100	Americans	100	100	100	100

## U.S. & DM prices exclude inv. 5 premium

Conversion factor 0.7867 (0.7771)

## CANADIANS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Canadians	100	100	100	100
100	100	Canadians	100	100	100	100
100	100	Canadians	100	100	100	100
100	100	Canadians	100	100	100	100
100	100	Canadians	100	100	100	100

## BUILDING INDUSTRY - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100

## DRAPERY AND STORES - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100

## ENGINEERING - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100

## INDUSTRIALS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100

## HOTELS - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100

## BANKS AND HIRE PURCHASE

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100

## BUILDING INDUSTRY - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100

## DRAPERY AND STORES - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100

## ENGINEERING - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100

## INDUSTRIALS

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100
100	100	Industrials	100	100	100	100

## HOTELS - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100
100	100	Hotels	100	100	100	100

## BANKS AND HIRE PURCHASE

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100
100	100	Banks and Hire Purchase	100	100	100	100

## BUILDING INDUSTRY - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100
100	100	Building Industry	100	100	100	100

## DRAPERY AND STORES - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100
100	100	Drapery and Stores	100	100	100	100

## ENGINEERING - Continued

High Low Stock Price Div. Yld. P/E

High	Low	Stock	Price	Div.	Yld.	P/E
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100
100	100	Engineering	100	100	100	100

## INDUSTRIALS

High Low Stock Price Div. Yld. P/E

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Handwritten note: *See page 10*

## INDUSTRIALS—Continued

Stock	Price	Div	Yield	High	Low
British Petroleum	25.00	1.50	6.00	25.00	25.00
Shell	22.00	1.20	5.45	22.00	22.00
Esso	20.00	1.00	5.00	20.00	20.00
British Airways	18.00	0.80	4.44	18.00	18.00
British Overseas Airways	15.00	0.60	4.00	15.00	15.00
British Airways	12.00	0.40	3.33	12.00	12.00
British Airways	10.00	0.30	3.00	10.00	10.00
British Airways	8.00	0.20	2.50	8.00	8.00
British Airways	6.00	0.15	2.50	6.00	6.00
British Airways	4.00	0.10	2.50	4.00	4.00
British Airways	2.00	0.05	2.50	2.00	2.00

## INSURANCE

Stock	Price	Div	Yield	High	Low
British Insurance	25.00	1.50	6.00	25.00	25.00
Shell Insurance	22.00	1.20	5.45	22.00	22.00
Esso Insurance	20.00	1.00	5.00	20.00	20.00
British Airways Insurance	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Insurance	15.00	0.60	4.00	15.00	15.00
British Airways Insurance	12.00	0.40	3.33	12.00	12.00
British Airways Insurance	10.00	0.30	3.00	10.00	10.00
British Airways Insurance	8.00	0.20	2.50	8.00	8.00
British Airways Insurance	6.00	0.15	2.50	6.00	6.00
British Airways Insurance	4.00	0.10	2.50	4.00	4.00
British Airways Insurance	2.00	0.05	2.50	2.00	2.00

## PROPERTY—Continued

Stock	Price	Div	Yield	High	Low
British Property	25.00	1.50	6.00	25.00	25.00
Shell Property	22.00	1.20	5.45	22.00	22.00
Esso Property	20.00	1.00	5.00	20.00	20.00
British Airways Property	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Property	15.00	0.60	4.00	15.00	15.00
British Airways Property	12.00	0.40	3.33	12.00	12.00
British Airways Property	10.00	0.30	3.00	10.00	10.00
British Airways Property	8.00	0.20	2.50	8.00	8.00
British Airways Property	6.00	0.15	2.50	6.00	6.00
British Airways Property	4.00	0.10	2.50	4.00	4.00
British Airways Property	2.00	0.05	2.50	2.00	2.00

## TRUSTS—Continued

Stock	Price	Div	Yield	High	Low
British Trusts	25.00	1.50	6.00	25.00	25.00
Shell Trusts	22.00	1.20	5.45	22.00	22.00
Esso Trusts	20.00	1.00	5.00	20.00	20.00
British Airways Trusts	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Trusts	15.00	0.60	4.00	15.00	15.00
British Airways Trusts	12.00	0.40	3.33	12.00	12.00
British Airways Trusts	10.00	0.30	3.00	10.00	10.00
British Airways Trusts	8.00	0.20	2.50	8.00	8.00
British Airways Trusts	6.00	0.15	2.50	6.00	6.00
British Airways Trusts	4.00	0.10	2.50	4.00	4.00
British Airways Trusts	2.00	0.05	2.50	2.00	2.00

## TRUSTS—Continued

Stock	Price	Div	Yield	High	Low
British Trusts	25.00	1.50	6.00	25.00	25.00
Shell Trusts	22.00	1.20	5.45	22.00	22.00
Esso Trusts	20.00	1.00	5.00	20.00	20.00
British Airways Trusts	18.00	0.80	4.44	18.00	18.00
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British Airways Trusts	12.00	0.40	3.33	12.00	12.00
British Airways Trusts	10.00	0.30	3.00	10.00	10.00
British Airways Trusts	8.00	0.20	2.50	8.00	8.00
British Airways Trusts	6.00	0.15	2.50	6.00	6.00
British Airways Trusts	4.00	0.10	2.50	4.00	4.00
British Airways Trusts	2.00	0.05	2.50	2.00	2.00

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## MINES—Continued

Stock	Price	Div	Yield	High	Low
British Mines	25.00	1.50	6.00	25.00	25.00
Shell Mines	22.00	1.20	5.45	22.00	22.00
Esso Mines	20.00	1.00	5.00	20.00	20.00
British Airways Mines	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Mines	15.00	0.60	4.00	15.00	15.00
British Airways Mines	12.00	0.40	3.33	12.00	12.00
British Airways Mines	10.00	0.30	3.00	10.00	10.00
British Airways Mines	8.00	0.20	2.50	8.00	8.00
British Airways Mines	6.00	0.15	2.50	6.00	6.00
British Airways Mines	4.00	0.10	2.50	4.00	4.00
British Airways Mines	2.00	0.05	2.50	2.00	2.00

## MOTOR, AIRCRAFT TRADES

Stock	Price	Div	Yield	High	Low
British Motor	25.00	1.50	6.00	25.00	25.00
Shell Motor	22.00	1.20	5.45	22.00	22.00
Esso Motor	20.00	1.00	5.00	20.00	20.00
British Airways Motor	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Motor	15.00	0.60	4.00	15.00	15.00
British Airways Motor	12.00	0.40	3.33	12.00	12.00
British Airways Motor	10.00	0.30	3.00	10.00	10.00
British Airways Motor	8.00	0.20	2.50	8.00	8.00
British Airways Motor	6.00	0.15	2.50	6.00	6.00
British Airways Motor	4.00	0.10	2.50	4.00	4.00
British Airways Motor	2.00	0.05	2.50	2.00	2.00

## SHIPBUILDERS, REPAIRERS

Stock	Price	Div	Yield	High	Low
British Shipbuilders	25.00	1.50	6.00	25.00	25.00
Shell Shipbuilders	22.00	1.20	5.45	22.00	22.00
Esso Shipbuilders	20.00	1.00	5.00	20.00	20.00
British Airways Shipbuilders	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Shipbuilders	15.00	0.60	4.00	15.00	15.00
British Airways Shipbuilders	12.00	0.40	3.33	12.00	12.00
British Airways Shipbuilders	10.00	0.30	3.00	10.00	10.00
British Airways Shipbuilders	8.00	0.20	2.50	8.00	8.00
British Airways Shipbuilders	6.00	0.15	2.50	6.00	6.00
British Airways Shipbuilders	4.00	0.10	2.50	4.00	4.00
British Airways Shipbuilders	2.00	0.05	2.50	2.00	2.00

## SHIPPING

Stock	Price	Div	Yield	High	Low
British Shipping	25.00	1.50	6.00	25.00	25.00
Shell Shipping	22.00	1.20	5.45	22.00	22.00
Esso Shipping	20.00	1.00	5.00	20.00	20.00
British Airways Shipping	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Shipping	15.00	0.60	4.00	15.00	15.00
British Airways Shipping	12.00	0.40	3.33	12.00	12.00
British Airways Shipping	10.00	0.30	3.00	10.00	10.00
British Airways Shipping	8.00	0.20	2.50	8.00	8.00
British Airways Shipping	6.00	0.15	2.50	6.00	6.00
British Airways Shipping	4.00	0.10	2.50	4.00	4.00
British Airways Shipping	2.00	0.05	2.50	2.00	2.00

## SHOES AND LEATHER

Stock	Price	Div	Yield	High	Low
British Shoes	25.00	1.50	6.00	25.00	25.00
Shell Shoes	22.00	1.20	5.45	22.00	22.00
Esso Shoes	20.00	1.00	5.00	20.00	20.00
British Airways Shoes	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Shoes	15.00	0.60	4.00	15.00	15.00
British Airways Shoes	12.00	0.40	3.33	12.00	12.00
British Airways Shoes	10.00	0.30	3.00	10.00	10.00
British Airways Shoes	8.00	0.20	2.50	8.00	8.00
British Airways Shoes	6.00	0.15	2.50	6.00	6.00
British Airways Shoes	4.00	0.10	2.50	4.00	4.00
British Airways Shoes	2.00	0.05	2.50	2.00	2.00

## SOUTH AFRICANS

Stock	Price	Div	Yield	High	Low
British South Africans	25.00	1.50	6.00	25.00	25.00
Shell South Africans	22.00	1.20	5.45	22.00	22.00
Esso South Africans	20.00	1.00	5.00	20.00	20.00
British Airways South Africans	18.00	0.80	4.44	18.00	18.00
British Overseas Airways South Africans	15.00	0.60	4.00	15.00	15.00
British Airways South Africans	12.00	0.40	3.33	12.00	12.00
British Airways South Africans	10.00	0.30	3.00	10.00	10.00
British Airways South Africans	8.00	0.20	2.50	8.00	8.00
British Airways South Africans	6.00	0.15	2.50	6.00	6.00
British Airways South Africans	4.00	0.10	2.50	4.00	4.00
British Airways South Africans	2.00	0.05	2.50	2.00	2.00

## TEXTILES

Stock	Price	Div	Yield	High	Low
British Textiles	25.00	1.50	6.00	25.00	25.00
Shell Textiles	22.00	1.20	5.45	22.00	22.00
Esso Textiles	20.00	1.00	5.00	20.00	20.00
British Airways Textiles	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Textiles	15.00	0.60	4.00	15.00	15.00
British Airways Textiles	12.00	0.40	3.33	12.00	12.00
British Airways Textiles	10.00	0.30	3.00	10.00	10.00
British Airways Textiles	8.00	0.20	2.50	8.00	8.00
British Airways Textiles	6.00	0.15	2.50	6.00	6.00
British Airways Textiles	4.00	0.10	2.50	4.00	4.00
British Airways Textiles	2.00	0.05	2.50	2.00	2.00

## PAPER, PRINTING, ADVERTISING

Stock	Price	Div	Yield	High	Low
British Paper	25.00	1.50	6.00	25.00	25.00
Shell Paper	22.00	1.20	5.45	22.00	22.00
Esso Paper	20.00	1.00	5.00	20.00	20.00
British Airways Paper	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Paper	15.00	0.60	4.00	15.00	15.00
British Airways Paper	12.00	0.40	3.33	12.00	12.00
British Airways Paper	10.00	0.30	3.00	10.00	10.00
British Airways Paper	8.00	0.20	2.50	8.00	8.00
British Airways Paper	6.00	0.15	2.50	6.00	6.00
British Airways Paper	4.00	0.10	2.50	4.00	4.00
British Airways Paper	2.00	0.05	2.50	2.00	2.00

## PROPERTY

Stock	Price	Div	Yield	High	Low
British Property	25.00	1.50	6.00	25.00	25.00
Shell Property	22.00	1.20	5.45	22.00	22.00
Esso Property	20.00	1.00	5.00	20.00	20.00
British Airways Property	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Property	15.00	0.60	4.00	15.00	15.00
British Airways Property	12.00	0.40	3.33	12.00	12.00
British Airways Property	10.00	0.30	3.00	10.00	10.00
British Airways Property	8.00	0.20	2.50	8.00	8.00
British Airways Property	6.00	0.15	2.50	6.00	6.00
British Airways Property	4.00	0.10	2.50	4.00	4.00
British Airways Property	2.00	0.05	2.50	2.00	2.00

## TOBACCO

Stock	Price	Div	Yield	High	Low
British Tobacco	25.00	1.50	6.00	25.00	25.00
Shell Tobacco	22.00	1.20	5.45	22.00	22.00
Esso Tobacco	20.00	1.00	5.00	20.00	20.00
British Airways Tobacco	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Tobacco	15.00	0.60	4.00	15.00	15.00
British Airways Tobacco	12.00	0.40	3.33	12.00	12.00
British Airways Tobacco	10.00	0.30	3.00	10.00	10.00
British Airways Tobacco	8.00	0.20	2.50	8.00	8.00
British Airways Tobacco	6.00	0.15	2.50	6.00	6.00
British Airways Tobacco	4.00	0.10	2.50	4.00	4.00
British Airways Tobacco	2.00	0.05	2.50	2.00	2.00

## TRUSTS, FINANCE, LAND

Stock	Price	Div	Yield	High	Low
British Trusts	25.00	1.50	6.00	25.00	25.00
Shell Trusts	22.00	1.20	5.45	22.00	22.00
Esso Trusts	20.00	1.00	5.00	20.00	20.00
British Airways Trusts	18.00	0.80	4.44	18.00	18.00
British Overseas Airways Trusts	15.00	0.60	4.00	15.00	15.0



## Inquiry into bulk discount system for retailers

By ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

A WIDE-RANGING inquiry into the whole system of suppliers giving bulk discounts to retailers may be carried out by the Monopolies Commission following the publication yesterday of the Commission's report on the frozen food industry.

The Office of Fair Trading has been under pressure from small retailers to carry out such an investigation for some time and yesterday's report may well help to set the ball rolling.

The report in general was not critical of the frozen food producers and cleared Birds Eye, the Unilever subsidiary, of exploiting its monopoly position in the market. But it questioned the merits of some of the discount arrangements used in the industry, particularly when they were not directly related to cost savings involved in servicing the larger customers.

The Commission recommended that only one of these practices should be abandoned by Birds Eye—and then only if its competitors took the same action.

But it seems likely that the Office of Fair Trading may want to take a closer look at the whole issue of bulk discounts, which are common not only in the frozen food industry but in the whole food industry as well as many other retailing sectors.

Any such reference to the Monopolies Commission would have to be made by the Department of Prices and would be along the lines of other general references, such as the inquiry into recommended retail prices.

Such an inquiry could not in itself result in a change in the law, but it would give an opportunity for those who believe discounts in this country should be

related to costs savings, as in America, a chance to express their views.

The Commission yesterday found that Unilever had a monopoly of frozen food sales in that it had more than a quarter of sales.

The report, which was welcomed by all the major companies involved, said that Birds Eye's efficiency and innovation were above average and that profits were not excessive.

It concluded, however, that Birds Eye's policy of rewarding retailers who reserved cabinet space for its products with bigger discounts was acting against the public interest.

It recommended that this form of discounting should be discontinued by Birds Eye—but only if the company's major competitors, Imperial Foods and

Findus, took the same action.

Mr. Roy Hattersley, the Secretary of Prices and Consumer Protection, said that he had asked the Director General of Fair Trading to discuss the report's recommendations on discounts with the frozen food companies.

The Director General would also confirm that Birds Eye had stopped making loans of refrigerated cabinets to retailers who agreed to stock its products—another practice which the Commission queried.

Birds Eye said yesterday that it had already changed its discount structure and that it welcomed the report which confirmed that the company had never exploited its position as the country's biggest producer of frozen foods.

Details, Page 11

## Davies is Tories' Brussels choice

By Reginald Dale, European Editor

THE TORY Party is recommending Mr. John Davies, former Director-General of the Confederation of British Industry and a Minister in the Heath Government, should be the second British EEC Commissioner when a new Commission is installed in Brussels under the presidency of Mr. Roy Jenkins in January.

Mr. Davies' name, alongside that of Sir Peter Kirk, leader of the Tory delegation to the European Parliament in Strasbourg, has frequently cropped up in speculation over the Brussels post in the past few months. But it was not until yesterday that it was confirmed he had his party's official backing. Mr. Davies has been MP for Rye since 1970.

The Government agrees that the second Commissioner must be acceptable to the Conservatives, but it has not yet made up its mind on Mr. Davies.

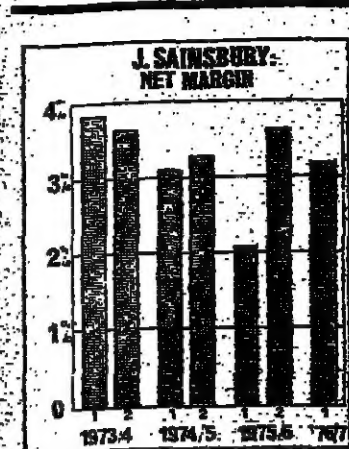
Mr. Jenkins will also be consulted on the appointment. But the Government does not plan to allow him the right of veto either. If Mr. Davies is deemed unsatisfactory, the Government will hold further consultations with the Tories on an alternative candidate.

The Tories argue that Mr. Davies is highly qualified for the job through his experience both of industry and of European affairs. He specialised in EEC matters as Chancellor of the Duchy of Lancaster in 1972-74 and speaks fluent French.

## Margins recover at Sainsbury

Equities and gilts moved ahead strongly yesterday but they have still not fully recovered from Monday's setback. Consequently, the prospects for the two new top stocks, whose subscriptions open to-day, is not very encouraging. The Treasury 14 per cent 1983 is yielding slightly less than comparable stocks and high coupon bonds would have to move up almost a point to make the new long, tap attractive.

Index rose 6.9 to 302.7



### J. Sainsbury

The much stronger trend in J. Sainsbury's retailing profits, which materialised in the autumn of 1975 has extended through the six months to September, and half-year profits are up from £5.7m. to £10.6m. pre-tax. Net margins have recovered to the level of two years ago, and the main explanation is volume growth together with operating efficiencies resulting from larger stores.

An 18 per cent rise in turnover includes something over a per cent for volume, and although overall selling space has been increased by more than that amount, a large number of the stores have apparently increased their business in real terms. In addition, gross margins have edged up again, although Sainsbury says that its price competitiveness has improved over the past 12 months. Other favourable influences include a much better performance in meat products, which helps to explain a £348,000 increase in associate profits and lower finance costs, with a little help from sale and leaseback arrangements. Liquidity is set to improve by well over £10m. this year.

The costs structure will improve further in the current half-year when the impact of the 1976 wage award, which pushed up the payroll cost by perhaps 14 per cent from last April, will be less noticeable. But Sainsbury is rightly concerned about the sales outlook for the final few months, since there must be at least a possibility that consumer spending on food—which in real terms has been stable since the Spring—might start to decline again.

Overall profits could emerge at, say £22m. against £15.4m. in 1975-76, on an annual basis, but the shares have fully regained their premium status, with a prospective p/e of 9.

### Graff Diamonds

Graff Diamonds, with hindsight, should never have gone public in February 1975. Its ideas about using its quote to expand through acquisition swiftly collapsed along with its share price, which started at 55p in the offer for sale but for the past two years has never been far about 20p, and often below. Now the controlling shareholder, Mr. Laurence Graff, feels the company would be much better off if it returned to private status. But serious misgivings are raised by the proposal to buy out the remaining 28 per cent minority at 28p per share.

In the first place the market rating must have been affected by the interim report last April. This announced that no interim dividend would be paid, for obscure reasons relating to the Articles of Association and a proposal (implemented last month) to change the Accumulating shares into Ordinary. There was no indication that the missed dividend would be paid later. Profits were reasonable at £233,000 pre-tax, but were stated after a stock provision of £138,000—on the face of it, a puzzling move when turnover had more than doubled.

Now Graff is saying that high retentions are required to finance higher stock levels—up from £1.6m. to nearly £2m. over the past financial year. Although profits, on an annual basis, have risen almost a quarter in 1975-76 (after un-

specified provisions) in 1975-76, apparently, with the exception of Mr. Graff's share, which was accepted—in which case the company's share net distributed.

Of course, anyone who enters a minority situation there are risks, but this bound to reflect the fact that the company's share price in 1975-76 was below the price of 55p for Graff's more fairly in the general market slide in time.

### General Accident

General Accident was in the black on its 1975 writing in the third quarter, with an operating profit of 100.1 per cent, compared with 107.5 per cent after six months. So although U.K. householders have been cranking trouble, the overall underwriting date has been comfortable, against £12.3m. and with changes sharply in the income, pre-tax profit at £27.4m., compared with £10.1m. a year ago.

The U.S. unit account could well be over the rest of the year, but the U.K. position should be much more secure. So change rates, which could amount to £10m. against £4m. in the last year in 1975, operating background still be improving in 1976. Obviously there are some overhand of shares in recent rights issue, a most underwriters will be happy to stick with a p/e of under 4, of 9 per cent at 12p.

### Hill Samuel

Hill Samuel's share for some time has been the indifferent of merchant banking group, reports signs of profit for the first time. The weak areas which the investment banking, which in found the going for Shipping could have own; however, and insurance broking later operating in buoyant

## Government cuts butter and cheese subsidies

By Elinor Goodman and Roy Rogers

REDUCED SUBSIDIES, leading to higher prices for butter and cheese, were announced yesterday within hours of an unsuccessful attempt by the TUC to persuade the Government against such action.

The only consolation that Mr. Roy Hattersley, the Prices Secretary, could hold out of a 90-minute meeting with the TUC economic committee yesterday was the prospect of maximum price levels being set on certain key areas of family expenditure including perhaps beer, bread and children's clothes.

The Government will save £110m. by taking 3p a pound off the butter and cheese subsidy. This will affect shop prices from the end of this week. Together with price rises already in the pipeline cheese could increase by 6p a pound. The milk subsidy has apparently already been accounted for in a scheduled 1p a pint increase.

At his meeting with the TUC Mr. Hattersley pointed out that there were a number of price controls beyond Government control—those determined by depreciation of the pound and world commodity prices. There were also areas of "maximum dilemma" where it would be impossible to restrict prices without affecting investment or jobs. Children's shoes fell into this category.

TUC leaders were told that Mr. Hattersley was looking for a more flexible approach to price controls with more attention being paid to the proportion of price rises devoted to new investment.

Praise for the Government's firm stand in negotiations on the Green Pound were expressed by the TUC leaders who are, however, still very unhappy about the price situation.

Several members of the economic committee expressed a view that any surge in prices would make negotiations for a further stage of pay policy more difficult. But Mr. Len Murray, the TUC general secretary, stressed after the meeting that there was no talk of abandoning wage restraint.

Continued from Page 1

## Kodak

If, however, the injunction were enforced, Lord Justice Buckley said, Kodak might suffer damage which it might be difficult, if not impossible, to quantify.

The decision to lift the ban earlier imposed on Kodak has been made on the balance of convenience as defined by the House of Lords judgment in American Cyanamid v. Ethicon. A new argument during Kodak's appeal originated from the multinational nature of the business of both parties.

Kodak has already started production and distribution of the contested instant picture film and cameras in North America, and was poised to start production in Europe.

Though a temporary injunction is a theoretical possibility in the U.S., it is practically impossible to achieve in this case.

Few other countries provide for the possibility of temporary prohibitions before the infringement dispute is decided.

In view of this, it was argued by Kodak that any prohibition to manufacture in the U.K. would not affect its ability to manufacture or sell anywhere else in Europe.

Polaroid has some 1,650 patents in the U.S., of which 900 relate to instant cameras. It was said in court that exports from its Scottish factory brought in over £26m. a year.

## Dunford agrees on £6m. plan with institutions

By Terry Wilkinson, City Staff

PROPOSALS for a £6m. financial reconstruction of Dunford and Elliott, the Sheffield steel and engineering company, have been agreed with the company's institutional shareholders, in preference to those made by the State-owned National Enterprise Board.

It is not clear at this stage how, or whether, the agreement will affect institutional thinking on the £6m. bid, made on Monday, by Johnson and Firth Brown for Dunford and Elliott.

Mr. Ronald Artus, joint secretary and investment manager of Prudential Assurance, which is leading a consortium of institutional shareholders including the ICI and Imperial Tobacco pension

funds, said yesterday that the proposals were "meant to put Dunford in a position to defend themselves adequately without commitment on either side."

He said that the JFB bid was "a separate matter on which consortium members would act individually."

Details of the reconstruction package are not complete but they will include a £3m. rights issue of convertible preference shares, underwritten by Prudential, Equity Capital for Industry, and the bank-backed Finance for Industry.

In addition, Dunford's principal bankers, Citibank, Grindlays, and Lloyds, have agreed to advance £3m. of loan finance and reschedule a proportion of short-

term loans into the longer term. Talks dealing with Dunford and Elliott's financial position began in the summer with Equity Capital for Industry, which is now likely to emerge with an 8 per cent stake in the company, and brought approaches from both N.E.B. and institutional shareholders.

N.E.B.'s proposals, which could have resulted in their taking a stake of up to 30 per cent in Dunford, have been rejected in favour of a private sector City solution.

Dunford's share price fell by 3p to 25p on the Stock Exchange yesterday, compared with a bid price of 33p. Johnson and Firth Brown was unchanged at 41p.

## EEC makes anti-dumping move against Japanese bearings

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, Nov. 10.

THE EEC Commission announced today that it is opening anti-dumping proceedings against imports of ball bearings and tapered roller bearings from Japan. The bearings, it alleges, have been sold in Europe at prices substantially below those charged on the home market.

The Commission's action, following a formal complaint by European bearing manufacturers last month, is clearly intended as a warning before two sets of important talks it will hold with Japanese officials over the next week on a wide variety of sensitive trade issues.

The Commission said it hoped for an amicable settlement to the action, under which the Japanese industry would undertake to raise bearing export prices to an agreed minimum level. But if no settlement was possible, Brussels would be ready to consider imposing anti-

dumping penalties. The Commission has documented early evidence which it claims shows that Japanese bearings being sold in the EEC for 26 to 52 per cent less than the domestic market price. The dumping margin varies according to country and bearing size.

Between 1974 and 1975, the Commission states, Japan's share of the EEC ball bearing market has risen from 12 to 16.8 per cent—a jump of 40 per cent—while its share of the tapered roller bearing market has more than doubled to 5.3 per cent.

Over the same period, the number of people employed in the European industry has fallen by 5,000.

The anti-dumping action hints of the tough approach that the Commission will take when it meets officials of the Japanese Ministry of Trade and Industry for talks in Brussels on Monday and Tuesday.

The Japanese team is certain to be pressed again to consider ways of reducing the growing deficit in trade with the EEC, which is expected to exceed \$4bn. this year.

There is particular concern at intensified Japanese competition in sectors such as cars, steel, electronic products and shipbuilding, though the bearings market is the only one in which the Commission is understood to have firm evidence that dumping has occurred.

The Commission is also keen to ask the Japanese about recent statements by Government and business leaders in Tokyo showing their readiness to consider steps to increase Japan's imports from the EEC.

Such a course of action is regarded in Brussels as the best long-term method of reducing the trade imbalance.

## Siemens buys AEG power stake

By Guy Hawtin

FRANKFURT, Nov. 10.

AEG-TELEFUNKEN is selling its 50 per cent stake in Kraftwerk Union (KWU), West Germany's leading power station builder, to its partner Siemens. The deal, announced simultaneously by the two concerns today, relieves AEG of a heavy financial burden and gives Siemens a virtual monopoly in nuclear power plant construction within the Federal Republic.

Under the terms of the deal, which goes through at midnight on New Year's Eve, AEG will receive DM800m. (\$197m.) for its interest in KWU's DM311m. nominal capital. Siemens will also pay DM50m. (£12.7m.) for half of AEG's 50 per cent slice of transformers Union.

The sale of the stake in KWU releases AEG from a financial engagement which could have led to it investing as much as a further DM750m. in the power station constructor by the end

of the decade. Involvement in the nuclear power field has already cost the financially hard-pressed electrical giant an estimated DM1.5bn. (£381m.).

However AEG must still bear the liability for the fixed price contracts it brought into KWU. About DM800m. has been allocated to AEG's reserves as provisions for these losses—a sum which should prove sufficient despite the fact that the full extent of the losses has not yet been ascertained.

The sale of the KWU stake has been on the cards for at least two years but AEG was reportedly to have hopes of persuading Siemens to take on the liability for the remaining losses as part of the deal. Earlier this year Siemens made it clear that it was not prepared to do this.

While Siemens' position may have delayed the deal for a time, AEG—1974 which reported heavy losses in 1974 and 1975 and faces uncertainty on the profits from this year—had few cards to play.

The sale of its share in KWU has already been approved by the Federal Cartel Office, while the application for a Cartel Office go-ahead for the TU purchase is not expected to cause much trouble.

The statement by the two concerns said that AEG would continue to be involved in future production of KWU and TU. The leading customers of KWU were also assured that the deal would not result in adverse changes in contracts in hand.

The reduced charges will cover calls where the customer must make a call through the operator because of failure of telecommunications equipment. The reduced charges should eliminate two main sources of complaint from phone-users. They follow pressure for reductions from the Post Office Users' National Council.

## Post Office cuts non-dialled charge

By Kevin Done, Industrial Staff

WITH PROFITS from telecommunications expected to rise by more than 115 per cent this year, the Post Office handed back a small amount to subscribers yesterday by announcing a cut in charges for most calls that customers cannot dial themselves.

Sir William Ryland, the Post Office Chairman, said in Coventry that the cuts would mean that more than 100m. telephone calls would be cheaper next year.

The reduced charges would operate from January 4. "This New Year present to our customers will be worth about £3m. a year," said Sir William.

The subscriber trunk-dialling STD conversion programme, which began in 1958, should be completed by the end of 1976. According to the latest estimates, only a few thousand subscribers are left with no STD facilities at all. More than 90 per cent of trunk calls can now be dialled

by the customer. Last year trunk calls totalled more than 2,350m.

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## U.S. export incentives condemned

By Ian Davidson

TAX INCENTIVES for U.S. exporters introduced under President Nixon are not merely in breach of international rules against export subsidies, but may be responsible for boosting American exports this year by about \$8bn.

These are two of the main findings of a panel which will report to-day to the council of the General Agreement on Tariffs and Trade in Geneva, the international body which sets the rules for international trade.

The panel has also condemned certain tax concessions granted to French, Belgian and Dutch exporters.

Substantial tax concessions to U.S. exporters are available to companies which channel their exports through specially created export subsidiaries, called Domestic International Sales Corporations.

Feature, Page 13

## Weather

U.K. TO-DAY  
FREEZING FOG in places inland. Showers, mainly in N. S.E. Cent. S. S.W. England, Channel Is., Wales, Lakes, Is. of Man.

Fog early and late, perhaps freezing and persistent. Elsewhere becoming brighter with scattered showers. Max. 10C (50F). Colder where fog persists.

Outlook: Bright intervals, scattered showers. Fog. Lighting-up: London 16.47, Manchester 16.49, Glasgow 16.48, Belfast 17.00.

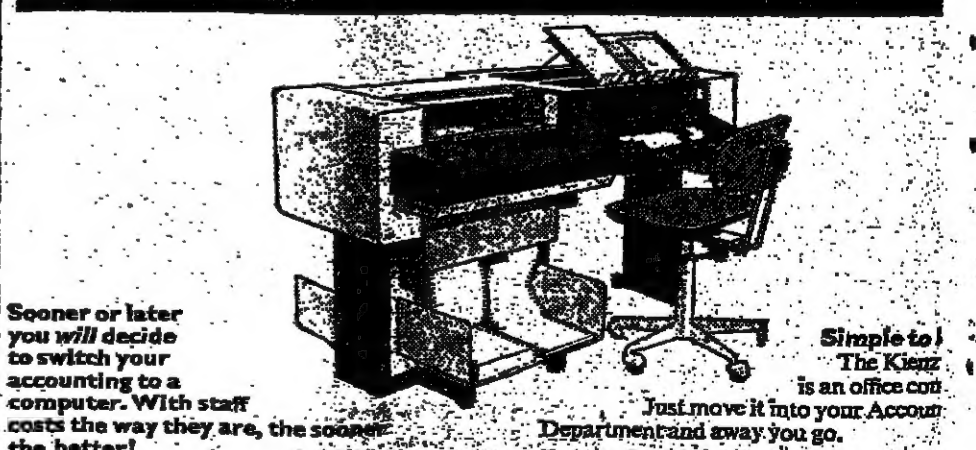
## BUSINESS CENTRES

	Today	Mid-day	Today	Mid-day	
	C	F	C	F	
Alexandria	C 34	75	Madrid	C 1	48
Amsterdam	C 12	33	Manila	C 10	37
Algiers	C 18	64	Melbourne	C 20	39
Bangkok	C 12	33	Mexico C	C 10	37
Bombay	C 18	64	Montreal	C -2	28
Buenos Aires	C 18	64	Moscow	C 10	37
Cairo	C 12	33	Osaka	C 10	37
Calcutta	C 18	64	Paris	C 11	38
Canton	C 12	33	Perth	C 14	55
Cebu	C 18	64	Rangoon	C 10	37
Colon	C 12	33	San Jose	C -1	30
Hankow	C 18	64	Sao Paulo	C 10	37
Hong Kong	C 12	33	Seoul	C 10	37
Kobe	C 18	64	Singapore	C 10	37
London	C 12	33	Sourabaya	C 10	37
Lyons	C 18	64	Stuttgart	C 10	37
Manila	C 10	37	Sydney	C 10	37
Medan	C 10	37	Taipei	C 13	55
Mexico	C 10	37	Tokyo	C 13	55
Montreal	C -2	28	Yokohama	C 13	55
Moscow	C 10	37			
Osaka	C 10	37			
Paris	C 11	38			
Perth	C 14	55			
Rangoon	C 10	37			
San Jose	C -1	30			
Sao Paulo	C 10	37			
Seoul	C 10	37			
Singapore	C 10	37			
Sourabaya	C 10	37			
Stuttgart	C 10	37			
Sydney	C 10	37			
Taipei	C 13	55			
Tokyo	C 13	55			
Yokohama	C 13	55			

## HOLIDAY RESORTS

HOLIDAY RESORTS									
Alcala	C	22	72	Manila	C	14	34		
Algiers	C	18	64	Mexico	C	10	37		
Bangkok	C	12	33	San Jose	C	10	37		
Bombay	C	12	33	Sao Paulo	C	10	37		
Buenos Aires	C	12	33	Seoul	C	10	37		
Cairo	C	12	33	Singapore	C	10	37		
Calcutta	C	12	33	Taipei	C	10	37		
Canton	C	12	33	Tokyo	C	10	37		
Cebu	C	12	33	Yokohama	C	10	37		
Colon	C	12	33						
Hankow	C	12	33						
Hong Kong	C	12	33						
Kobe	C	12	33						
London	C	12	33						
Lyons	C	12	33						
Manila	C	10	37						
Medan	C	10	37						
Osaka	C	10	37						
Paris	C	12	33						
Rangoon	C	12	33						
Shanghai	C	12	33						
Singapore	C	10	37						
Sourabaya	C	10	37						
Tientsin	C	12	33						
Yokohama	C	10	37						

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